Daily Report

Central Eurasia

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Joint Delegation Holds Talks With PRC on Borders

LD0707150495 Moscow ITAR-TASS in English 1437 GMT 7 Jul 95

[By Grigoriy Arslanov]

[FBIS Transcribed Text] BEIJING, July 7 (ITAR-TASS) — The 16th round of the talks between the joint delegation of Russia, Kazakhstan, Kyrgyzstan, and Tajikistan, on the one hand, and a Chinese delegation, on the other, has ended here. The sides discussed problems linked with the reduction of armed forces in the border areas and some confidence-building measures.

They have for the first time reported progress at the negotiations. Itar-Tass has learned from sources close to the talks that the two delegations, which included representatives from the Foreign and Defence Ministries of the five countries, proceeded in a "friendly and frank atmosphere". The sides continued the discussion of the entire range of problems linked with the reduction of armed forces and consolidation of confidence-building measures in the border areas of the neighbouring countries.

Judging by statements of the participants of the talks, a draft agreement on confidence-building measures in the military sphere could be readied for President Boris Yeltsin's visit to China, expected this autumn.

In keeping with the achieved agreement, the 17th round of the talks will be held in Moscow this September.

Russian Delegate Notes Active Role in OSCE

LD0907091895 Moscow ITAR-TASS in English 0835 GMT 9 Jul 95

[By Nikolay Setunskiy]

[FBIS Transcribed Text] OTTAWA, July 9 (ITAR-TASS) — Russia has an active role in the Organization for Security and Cooperation in Europe [OSCE], said Oleg Bogomolov, head of the Russian delegation to the fourth session of the OSCE parliamentary assembly.

Bogomolov said in his address to the assembly's closing plenary session on Saturday that Russia wanted active discussion of European security models within the frame of the OSCE.

The models should rest on principles of inseparability of Europe and impermissibility of improving security by some states at the cost of dented security of others.

Bogomolov stated that OSCE member states are confronted with increasing problems, including armed ethnic conflicts, aggressive nationalism, separatism and terrorism.

This requires more intervention and efforts of the OSCE, he said.

Russia as a member of international organisation actively contributes to peacekeeping efforts, continued the Russian delegate.

Bogomolov said the OSCE's achievement is its "comprehensive approach to the security" with attention to its economic, ecological and humanitarian dimensions.

"The OSCE can and must make an increasing contribution to the protection of rights of national minorities, in particular the Russian-speaking population living abroad," he said.

The Russian representative called the OSCE to use its possibilities in "support of democratic and market reforms in the states of the former Soviet Union".

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Moscow, Azerbaijan To Discuss Joint Air Defense

LD0907140695 Moscow INTERFAX in English 1223 GMT 9 Jul 95

[FBIS Transcribed Text] MOSCOW, July 9 (INTERFAX) — Commander-in-Chief of the Russian Air Defense Forces, Lieutenant-General Viktor Prudnikov is going to discuss with Azerbaijani President Heydar Aliyev possible participation of Azerbaijan in the CIS joint air defense system.

"We have reached a preliminary agreement regarding my meeting with the Azerbaijani president. Heydar Aliyev has not yet fixed the date for our meeting but we agreed that it should take place," Prudnikov told INTERFAX in an exclusive interview.

He said Azerbaijan's participation was very important for the CIS joint air defense system "because Azerbaijan has serious radio facilities for warning about possible air attacks as well as other air defense facilities."

Prudnikov said the Moldovan Defense Ministry was also thinking about its possible participation in the CIS joint air defense system. He said Russia hoped that Moldova would join the corresponding agreement at the next CIS summit.

Prudnikov said that air defense of Armenia, Azerbaijan and Georgia, the Caucasian direction, was weak at present. "Earlier, the region had aid defense facilities. However, because of a number of reasons, including military actions in this region, these air defense facilities were destroyed," Prudnikov added.

He said he believed that "the Western direction" (Russia, Belarus and Ukraine) had the most secure air defense systems. Prudnikov said these countries had air defense systems capable of carrying out the set tasks.

Prudnikov was appointed to the chairman of the CIS joint air defense system's coordinating committee at the CIS summit in Almaty on February 10, 1995.

The CIS joint air defense system includes Armenia, Georgia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan and Ukraine. Turkmenistan said it was ready to join the document on bilateral basis.

Unified Air Defense System Plans Tactical Exercises

LD0807140095 Moscow INTERFAX in English 1220 GMT 8 Jul 95

[FBIS Transcribed Text] MOSCOW, July 8 (INTERFAX) — Tactical exercises, designed to determine how the unified air defense system of CIS states is ready for action, are to be conducted at the end of the current year, the Commander-in-Chief of Russia's Air Defense System Cl.-General Viktor Prudnikov told INTERFAX.

He said he hopes that the exercises will be a success and prove that the system "exists and functions, though it needs to be improved, of course."

As the general said, a major criterion of how ready the unified system is to accomplish its tasks is the ability to control air borders and act accordingly, if necessary.

Prudnikov was appointed chairman of the coordinating committee of the unified air defense system at the CIS summit held in Almaty on February 10 this year.

The unified system includes Armenia, Georgia, Belarus, Ukraine, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. Turkmenistan prefers bilateral cooperation in this area.

Azerbaijan and Moldova declined to join the unified air defense system.

ITAR-TASS Carries Press Review for 8 Jul

LD0807074795 Moscow ITAR-TASS in English 0451 GMT 8 Jul 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW July 8 (ITAR-TASS) — On Monday, July 10, the Russian Constitutional Court will start examining interpellations by the State Duma and the Federation Council (Russian parliament lower and upper chambers) on constitutionality of presidential decrees and government decisions, which gave legal grounds for the start of the Chechen war, writes the IZVESTIYA newspaper.

According to the daily, "we shall see not a political show but painstaking judicial hearings". "Both sides are thoroughly preparing for the proceedings, getting various documents, including very surprising," the ROSSIISKIE VESTI newspaper notes.

The daily prints some of them. The article does not preclude a chance that "documents exposing those who nurtured Dudayev, will surface".

Commenting on the appointment of Anatoliy Kulikov as interior minister, IZVESTIYA notes that he "matured under the roof of this department". Referring to unidentified sources at the ministry, the newspaper stresses that ministry officials "breathed a sigh of relief, since such an appointment does not herald great departmental reshuffling and another structural reorganisation".

The newspaper notes at the same time that "the new minister is also predictable, reliable and governable for the Kremlin".

According to IZVESTIYA's forecasts, the vacant post of director of the Federal Security Service can be taken

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by Mikhail Barsukov, the Kremlin's commandant and head of the Chief Guards Department who is called "the president's left hand (if Korzhakov is the right hand)".

According to the daily, "he is more loyal to the Kremlin than to Lubyanka (Lubyanka is a square in downtown Moscow where the Federal Security Service building is situated)".

As a result of introducing the rouble's "floating rate" vis-a-vis the dollar, the authorities turned to be under the influence of exporters, notes a forecast published by the TRUD newspaper.

The forecast points to possible rapprochement between the positions of Chubays, Russia's chief economic architect, Yasin, Economics Minister, Zaveryukha, chief of Russian agriculture, Lapshin, leader of the Russian Agrarian Party, Rybkin, lower house speaker, and Paramonova, governor of the Russian Central Bank, on the platform of support for the national producer by raising import customs and controlling the rouble's stable rate.

Current inflation rates will amount to 1.2-1.5 percent per week, which will deprive citizens of a chance to make savings.

"Muscovites are eating up food stockpiles purchased at old prices," IZVESTIYA reports. As a result of higher customs duties for imports, sausage prices, for instance, will rise at least by 40 percent.

Price jump is expected in mid-July. According to estimates of the food resources department, prices for foodstuffs in Moscow will grow by 60 percent in October.

The SOVETSKAYA ROSSIYA newspaper reports that prices for all goods rose more than 8,500 times by mid-1995 as against 1991. By the end of 1995, a third of Russian population will be undernourished for the per capita protein index.

Mortality topped the birth-rate by far. The Russian population decreases by one million every year.

Moscow has turned over for occupancy 1,300,000 square meeters of living floor space in the first six months of 1995, Vladimir Resin, Construction Minister of the Russian capital's government, said in an interview with the KOMSOMOLSKAYA PRAVDA newspaper.

According to the minister, Moscow will not extend its borders till the year 2010. Construction will be conducted in place of 20 million square meters of old five-storeyed buildings.

Russia has 731 penitentiaries, the ROSSIYSKAYA GAZETA reports. "The population of this archipelago" totals 929,000. Out of the total, 656,000 serve their sentences, while 250,000 are under investigation. 23,903 are women.

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Mikhaylov, Iranian Official Discuss Reactor

LD0707223995 Moscow ITAR-TASS World Service in Russian 1455 GMT 7 Jul 95

[By ITAR-TASS correspondent Anna Bakina]

[FBIS Translated Text] Moscow, 7 Jul (ITAR-TASS) — The construction of the first set of a nuclear power station in the Iranian town of Bushehr was discussed today at a meeting between Viktor Mikhaylov, Russian Federation minister for atomic energy, and M. Karbasforushan, vice president of the Iranian Atomic Energy Organization [name and title as received]

An ITAR-TASS correspondent was told at the Russian Ministry for Atomic Energy public relations administration that the Russian and Iranian sides also examined the issue of a supply of fuel from Russia for the nuclear power station that is to be built.

Further on Mikhaylov Comments

LD0807213695 Tehran IRNA in English 1911 GMT 8 Jul 95

[FBIS Transcribed Text] Moscow, July 8, IRNA — The Russian nuclear energy minister, Viktor Mikhaylov, said on channel two Russian TV network that he rejected the baseless and empty American claims on Iran trying to become a nuclear power and added that Russia will continue working with Iran, a friendly neighbor on the project of nuclear reactors.

Mikhaylov who was invited by the Russian president, Boris Yeltsin to join the National Security Council of the country as a new member Friday stated that instead of pursuing a hostile policy against the Muslim world, they should befriend them and become trade partners.

The Russian nuclear energy minister pointed out that talks between the representatives of the Russian Energy Ministry and the Organization of Nuclear Energy of the Islamic Republic of Iran are for initiating the completion of the nuclear reactors in Bushehr.

Mikhaylov stressed that the nuclear reactors in Bushehr are simply for peaceful purposes. He went on to say that Russia was against the spread of the production of nuclear weapons, adding that the Islamic Republic of Iran never took any measures to show such inclinations to manufacture nuclear weapons.

The Russian energy minister added that the Americans can present a separate proposal on the control of the nuclear activities in Bushehr. He went on to refute another baseless American claim that since Iran is rich in gas and oil resources, it has no need for developing nuclear power. Mikhaylov concluded that twenty years ago, at the time when Iran's gas and oil resources were so overflowing, the Western countries specifically the United States wanted to build 23 nuclear reactors for Iran while Russia wants to build only two nuclear reactors for Iran. [Tehran Voice of the Islamic Republic of Iran First Program at 1630 GMT on 8 July, in a similar item, says that "Russia currently has the intention of constructing a new power station with four reactors"]

Nuclear Energy Minister on Talks With Blix

LD0707171095 Moscow ITAR-TASS in English 1626 GMT 7 Jul 95

[By Anna Bakina]

[FBIS Transcribed Text] MOSCOW July 7 (ITAR-TASS) — Russian Minister for Atomic Energy Viktor Mikhaylov commented results of his meeting with Director-General of the International Atomic Energy Agency Hans Blix, who finished his five-day visit to Russia today.

Mikhaylov said in an interview with ITAR-TASS that one of interesting proposals of Blix was the project of building continental stores for disposal of spent nuclear fuel.

Mikhaylov said the continental stores offer an optimal solution to the problem of dumping spent nuclear fuel.

This project requires the setting up of an international expert council which would have among its members geologists who would determine a most acceptable site for centuries-long storage of spent nuclear fuel.

All countries participating in the project would contribute to funding the construction of the store and its joint maintenance.

It is not ruled out that the site for the store might be found in the Asian region, Mikhaylov said.

Blix made another interesting proposal during his visit to Russia. He said the International Atomic Energy Agency (IAEA) is ready to establish control of the nuclear power plant which Iran is going to build in Bushire with assistance from Russia.

The IAEA's full control of the nuclear power plant and Iran's joining the nuclear non-proliferation treaty would provide guarantees of international nuclear security.

During his visit Blix had meetings in the Russian Atomic Energy Ministry, federal nuclear centre Arzamas-16 and a physical-chemical institute in Obninsk.

Blix was shown unique physical installations in the Obninsk institute and discussed with its leadership

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prospects of Russia's national system for registration and control of nuclear materials.

Mikhaylov on International Nuclear Cooperation

LD0807211595 Moscow Russian Television Network in Russian 1600 GMT 8 Jul 95

[Video report by correspondent A. Peslyak, including recorded comments by Nuclear Energy Minister Viktor Mikhaylov; from the "Vesti" newscast]

[FBIS Translated Text] An obstacle to relations between the United States and Russia was our contract to build a nuclear power plant in Iran. After the recent session of the Gore-Chernomyrdin Commission this problem has evidently been favorably resolved.

[Peslyak] The contract with Iran for the construction of set No. 1 of a power station has, according to Minister of Atomic Energy Viktor Mikhaylov, three additional protocols: On supplies of nuclear fuel, on spent fuel, and on the construction site at Bushehr 70 percent already built by German firms. And the North Korean contract has effectively been intercepted by competitors from the U.S., Japan, and South Korea.

[Mikhaylov] We are being invited to join this consortium as an ordinary member, and in addition we must bring in $50 or $100 million annually.

[Peslyak] Russia considers itself to be worthy of the vice-presidency, and before the end of the year the question will be examined by the Gore-Chernomyrdin Commission.

[Mikhaylov] The fifth session that has just been held was the most productive session.

[Peslyak] Among the five documents signed in Moscow recently is a statement about the transparency of the contract for supplies of Russian uranium for American atomic stations.

[Mikhaylov] That is the only example today of real nuclear disarmament, of a real way of beating swords into plowshares.

[Peslyak] Another is the agreement on the set of joint systems of audit and stock-keeping of nuclear materials for peaceful use, and finally the document on three options for substituting sources of heat and power as the Siberian reactors making weapons-grade uranium are shut down. Mikhaylov said an unresolved U.S. problem is the anti-dumping agreement, which hitherto enabled only the Americans to use all the profit from joint sales of our uranium. In the autumn, the minister stressed, we will work for a new agreement favorable to Russia, leaving quotas as they are and let the buyer determine the price of the uranium. [video shows Mikhaylov in his office, plant making rods, Gore and Chernomyrdin signing documents, nuclear plant with water, heavy object being lowered, heavy locomotive emerging from plant]

IZVESTIYA Comments on U.S. Astronaut's 'Whining'

MM1007125095 Moscow IZVESTIYA in Russian 8 Jul 95 p 2

[Feature comprising articles by Vladimir Nadein, Sergey Leskov, and Vladimir Mikheyev under general headline: "U.S. Astronaut's Sensational Revelations"]

[FBIS Translated Excerpt] **It Was Boring in Orbit**

Washington — Norman Thagard, the record-holder among U.S. astronauts for length of stay in space, shocked his bosses at the Houston Space Center when he naively informed them about squabbles during his 115-day stay on the "Mir" orbital station. The food on the station was awful, he said in a radio interview. The station gets no world news reports. Whole days were spent without any opportunity to speak English to anyone. And, finally, he missed his family dreadfully. "The cultural isolation was terrible," the 52-year-old astronaut complained bitterly.

"In all the 34 years of 100 manned space flights nobody has ever — at any rate publicly — made such overt complaints about space travel as Thagard," an AP correspondent reported. "Maybe this will be typical of the new generation of astronauts on long missions in the 21st century."

NASA representatives immediately supported Thagard's unprecedented revelations, stating that it will now be easier for them to imagine just what is required for long-term space missions. Given that another four Americans will have to spend several months on the "Mir" station over the next two years, the fight against orbital boredom could require additional appropriations.

But NASA's main problems are not about half-hourly CNN broadcasts or a selection of videotapes. Thagard's revelations are being particularly closely studied on Capitol Hill, where very many lawmakers are striving to cut space expenditure to the bone. If it turns out that 105 days without speaking English affects an American's health, the pressure to rapidly privatize NASA in Congress will acquire additional strength.

Gennadiy Strekalov has spent far longer in orbit than Norman Thagard. Along with Vladimir Dezhurov they ate the same food. They had families back on earth too. Prior to the U.S. astronaut's arrival they had not heard a single word of English from each other. Medical

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examination will show whether this has affected their health or not.

Russian Cosmonauts Reckon Norman's "Whining"

Before the mission Norman Thagard told an IZVESTIYA correspondent that he, an American, was a member of a Russian crew and would obey Russian rules. And from the professional standpoint he would carry out his functions as astronaut to the letter. But an experienced psychologist could note that Thagard was finding this psychologically long trip hard going. During communications sessions he was passive, with his arms folded, and confined himself to brief answers.

Shortly before the flight it was known that Russian would be the mission's working language. And Thagard has spent around two years learning it. But even given his personal difficulties, it would hardly have been expedient for the entire Mission Control Center to have switched to English.

The cosmonauts' food is drawn up to take account of the features of national cuisine — particularly on long missions. It would be impossible to provide separate arrangements for the American. Incidentally, Valeriy Polyakov recently spent 426 days in space — not 115 like Thagard — and returned to earth in excellent shape.

As for the lack of "cultural" information, TV pictures and a radio news summary are transmitted to the spacecraft every day. Members of the psychological support group realize that this may not be sufficient — but the current level of space science does not permit any more. And it is Thagard's own fault that he did not take the American videotapes that he needed with him on the mission.

Squabbles among the crew? Well, something of the sort did happen, but "squabbles" is an exaggeration. There is always some friction on a long mission — it is not a picnic. The fact that our cosmonauts prefer not to harp on about it is another matter. For some reason it seems as though there is dignity in this kind of isolation....

Cosmonauts have regretted the reports of Norman Thagard's scandalous interviews. The assessment was — "He's whining." [passage omitted: report on how U.S. astronauts have undergone etiquette training to learn about Russian customs]

Singer Kobzon Denies U.S. Mafia Links Charge

MK0807091095 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 8 Jul 95 pp 1, 8

[Report by Aleksandr Khinshteyn: "'Unlike Me, Yaponchik Does Not Use Four-Letter Words,' Iosif Kobzon, Accused by U.S. Authorities of Having Mafia Ties, Concedes"]

[FBIS Translated Excerpt] On 8 June of this year the U.S. Federal Bureau of Investigation arrested in Brooklyn Vyacheslav Ivankov, nicknamed Yaponchik [the Jap], one of the greatest Russian criminal authorities. [passage omitted]

But having found himself once again behind bars (even if more reliable ones this time around) Ivankov continues to pose a threat to many people. The popular singer Iosif Kobzon happened to be one of the first victims of the "brave Robin Hood."

Certain journalists have been trying to link precisely his name to the Ivankov case, claiming that Kobzon is "the godfather" of the Russian Mafia and that he has had direct business relations with the newly imprisoned Yaponchik...

The scandal over Kobzon and Yaponchik first flared up a few months before the latter's arrest. In March THE WASHINGTON TIMES published a sensational article in which, citing an alleged secret CIA report, it called the singer Russia's No. 1 Mafioso, heading a group that also includes Moscow mayor Yuriy Luzhkov, General Boris Gromov, and Vladimir Gusinskiy, president of "Most-Bank." What is more, the newspaper accused Kobzon of maintaining ties with the CIA and Mosad, and particularly pointed out his friendship with criminal "godfathers." Including Ivankov the Jap. [passage omitted]

A few weeks after Yaponchik's arrest, the singer's multiple U.S. entry visa valid for one year was unexpectedly revoked...

"I see this as yet more villainy," Iosif Kobzon said in an interview for MOSKOVSKIY KOMSOMOLETS. "I have been going to America and back again for 20 years and I have never violated anything. I have never even been searched. And all of a sudden, a young man at the embassy says in broken Russian in the presence of my wife and daughter: You are refused the right the enter the States. Not to mention the fact that even before that I had been subjected to an utterly humiliating procedure — syphilis and AIDS tests. They appear to have expected that I may be infected with something and my trip can be prohibited on these grounds. But, unfortunately for them, I was perfectly clean." [passage omitted]

"I know who stands to benefit from this controversy. There are presently too many people who dislike Luzhkov, too many people who want to compromise people from his entourage — and I am the mayor's adviser on cultural matters. When it all started i

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suggested to Yuriy Mikhaylovich that we sever our relations. That I do not want to set him up. Why should we be led by provocateurs, the mayor responded. Friendship is friendship." [passage omitted]

"I am a singer. In that capacity I have to mix with bandits, and prostitutes and astronauts. After all, Ivankov lived in the United States on perfectly legal grounds. Who knows, had he not been persecuted, he might well have dealt with the Chechens much quicker than the authorities are doing."

"Now they are trying to charge me with God knows what. But I will not let the U.S. Department of State or journalists impudently offend me. Many people, that same Korotich [former OGONEK editor-in-chief], say: Why are you ruining your nerves, fighting somebody, trying to prove something? But I have children, a wife. They ought to know that their father is innocent. There are those who listen to my songs, after all, for whose sake I work."

"Presently I have asked my lawyers in America to file suit against the State Department. I can stay away from the States for a thousand years, I don't give a damn about it, but my daughter has finished her freshman year at the university and needs to continue her studies. They are simply blackmailing her at the embassy, however: we will not give you a visa until we see how your father behaves."

"The most important thing I want is not even apologies. I need to find out what was the reason for their acting like that, who in particular is behind this. But so far I can only guess."

"In a letter to President Yeltsin, which I passed to him via his aide, Lev Sukhanov, I wrote bluntly: When will the arbitrariness stop? Now is not 1937, and no one has the right freely to insult an individual, a Russian citizen. I did not sing for 35 years to see somebody tarnish my name."

"Deputy Foreign Minister Boris Pastukhov promised me that the Foreign Ministry will do its utmost to resolve the problem."

"Let us see... At any rate, they won't get away with it."

The press department of the American Embassy, to which we turned for comment, would not give us reasons for revoking a visa of the People's Artist of the USSR. At the same time, a department staffer hinted delicately at a law banning from entry anybody suspected of connections with the drug-trafficking Mafia. ("I can't stand them drug traffickers [colloquial speech in original]," Iosif Kobzon fumed, learning that.) As for the crux of the problem, it was said that Russian citizens can be refused entry left and right if they cannot prove that they do not seek to stay there.

From the legal point of view, the actions of the U.S. State Department are absolutely legitimate: According to an existing convention a sovereign country may refuse entry to foreigners without having to give reasons. But this particular case is a bit different.

It was explained to Kobzon that he may have connections with the Mafia. If this is really so, the American special services in theory ought to help their Russian counterparts and turn available documents over to them. But if they have no such materials, the U.S. authorities should tender their apologies The United States, like our country, adheres to the principle of the presumption of innocence. It is not Iosif Kobzon who should prove that he is not a Mafioso, but the opposite side.

We cannot state whether the singer is really linked to the Mafia or if this is just a brazen lie. Officers of the Internal Affairs Ministry's Main Administration on Organized Crime, whose representatives went to Brooklyn specially to take part in the arrest [of Yaponchik], assert that they have no such information on Kobzon. In near-showbiz circles, however, plenty of convincing rumors are circulating about the entertainer's "godfatherhood."

But rumors are just rumors, nothing more. The moon does not heed the barking of dogs. [passage omitted] [article is accompanied by much-compressed copies of, among other things, letter written on American Embassy stationery]

Kozyrev, Israel's Peres Discuss Peace Process

LD0707191595 Moscow ITAR-TASS in English 1537 GMT 7 Jul 95

[By Yuriy Kozlov]

[FBIS Transcribed Text] MOSCOW July 7 (ITAR-TASS) — Russian and Israeli Foreign Ministers Andrey Kozyrev and Shim'on Peres discussed possibilities of hastening the peace process in the Middle East in a telephone conversation today.

A release from the Russian Foreign Ministry's information and press department, dispatched to ITAR-TASS today, says Peres informed Kozyrev about tentative agreements with Yasir 'Arafat on relocation of Israeli troops on the West Bank of River Jordan and the election to the Palestinian autonomy council.

Kozyrev reaffirmed Moscow's determination to assist the peace process as its co-sponsor.

The conversation also touched on issues concerning possible new impulses to the Syria segment of the Arab-Israeli settlement.

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Israeli Diplomat Cited on Russia's Mideast Role

MM1007123095 Moscow TRUD in Russian 8 Jul 95 p 1

[Report by Anatoliy Repin: "When Three Is Not a Crowd"]

[FBIS Translated Text] Russia and Israel have set up a joint working committee on the Near East. It will tackle questions of political cooperation between the two countries in the peace process and the general situation in the region, including tasks of ensuring security and countering international terrorism. The committee's first session was held in Moscow Thursday [6 July] and was chaired by Deputy Foreign Ministers Viktor Posvalyuk and Yosi Beilin.

At a news conference, in response to your TRUD corespondent's questions, Beilin stressed Russia's great role in the Near East peace process and cited in confirmation the fact that the multilateral Arab-Israeli talks on security, the economy, the environment, etc. within the International Peace Conference framework were launched in Moscow. At the same time the Israeli diplomat acknowledged that Israel's bilateral talks with the Arabs (the Palestinians, Jordan, and Syria) have taken place and are taking place mainly under U.S. auspices. But it is clear from what Beilin said that Russia has a "trump card" of its own, namely closer contacts with a number of Arab countries than the United States has. Since it is very hard for the Israelis to talk to them directly, Russia plays an indispensable role as a third party, the diplomat said.

He did his utmost to emphasize the need to speed up progress in the Israeli-Syrian talks, on which the whole of the future peace process in the region depends. In his view, these talks must be completed by the end of the year. They may come to a protracted standstill after that in view of [impending] U.S. and Israeli election campaigns.

Kozyrev: Germany Not Making Claims on Kaliningrad

LD0707172495 Moscow INTERFAX in English 1624 GMT 7 Jul 95

[From the "Diplomatic Panorama" feature: Reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MOSCOW, July 7 (INTERFAX) — Germany is not making any territorial claims on the Russian Kaliningrad region "at the government level," Russian Foreign Minister Andrey Kozyrev said, speaking before the deputies of the Federation Council, the upper house of the Russian parliament, Thursday.

According to Kozyrev, the issue is regulated by "a whole system of treaties, some of them signed by the new Russia." "There is no problem here," he said, answering a question from a Federation Council deputy.

However, he admitted the existence of revisionist forces in Germany that lay claims to the region. "We are keeping that in mind. The issue was discussed in the UN Security Council and we openly discuss it with our German partners and friends at the government level," said Kozyrev.

He said that "Russia rejects everybody's territorial claims."

Kozyrev condemned attempts by "some Congress and parliament deputies in certain countries, including the United States, to adopt resolutions dictating to Russia how to behave on its own territory in the Kaliningrad region."

Remains of Pilots Shot Down Over Croatia Returned

LD0807103495 Moscow NTV in Russian 1800 GMT 7 Jul 95

[By correspondents Igor Volonikhin and Nikolay Yakushev]

[FBIS Translated Text] A regular flight from Belgrade today to Sheremetyevo-2 brought the remains of three Russian pilots who died in Croatia. They were flying an Mi-8 helicopter during the night of 27-28 May that was shot down by local Serb rockets. Several senior Bosnian officials were in the helicopter, including the foreign minister.

According to the RIA news agency's information, the Serbs hid the fact of the crew's Russian nationality for a long time. However, even after the three heliocopter pilots had been handed over to the Russian side, finding out who these people were and what role they played was not at all easy. For example, the surname of only one recipient occurred on all the labels of this gloomy cargo, one Vladimir Kutanin. People who said they were relatives, but for some reason did not know the surnames of those killed, refused to give us any information at all.

It was only thanks to the curiosity of the security services at the airport's cargo complex that the NTV film crew managed after all to find out the names of the dead. They are Mikhail Grigorovich Maksimenko, Orest Konstantinovich Demchuk, and Yuriy Dmitriyevich Retkin.

Not one representative of the Russian authorities turned up at Sheremetyevo during the process of registering the bodies of the Russian citizens here. This confirms either

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that they really were volunteers, working in Croatia on private contracts, or that in this way Russia has once more shown its attitude towards those who have served and died abroad.

Ryurikov Confirms Yeltsin-Kuchma Conversation

LD0807114695 Moscow ITAR-TASS World Service in Russian 1034 GMT 8 Jul 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 8 Jul (ITAR-TASS) — Dmitriy Ryurikov, Russian presidential aide for international affairs, today confirmed to an ITAR-TASS correspondent that Russian President Boris Yeltsin and his Ukrainian counterpart Leonid Kuchma had a telephone conversation this morning.

However, Ryurikov did not comment on the content of the conversation or on Leonid Kuchma's statement at a news conference today.

The Ukrainian president said, among other things, that "there are still many unresolved problems in Russian-Ukrainian relations and they are not bringing closer the dates of the official visit to Ukraine by Boris Yeltsin and the signing of a wide-range treaty on friendship and cooperation. I think we will need a month or two to resolve these matters."

Leonid Kuchma told journalists that during the conversation the sides reached the conclusion that at first Ukrainian Prime Minister Yevhen Marchuk will pay an official visit to Moscow so that all outstanding issues between the two states can be resolved at government level. "We agreed with Boris Nikolayevich [Yeltsin] that during his visit we will sign a ready document and not hold discussions about it," Leonid Kuchma said.

In the Ukrainian president's opinion, talks between Yevhen Marchuk and [Russian Prime Minister] Viktor Chernomyrdin can take place as early as July.

Yeltsin Stance on Belarus Reunification Decried

MM1007090395 Moscow PRAVDA in Russian 5 Jul 95 p 3

[Article by Oleg Stepanenko: "Post as Symbol of Reforms. Why B. Yeltsin Refused To Remove the Barrier Between Russia and Belarus"]

[FBIS Translated Text] Minsk — For more than a month now Belarus and Russia have been living without the border which separated them for several years. It was taken away one fine May day. My mind goes back again and again to the solemn minutes when the final touch was added near the Belarusian village of Redki: The symbolic customs sign — the barrier — was removed. This event had been expected. President Yeltsin had been expected too. It had been proposed that he and A. Lukashenka would remove the border barrier together — all the mass media had reported this. Construction subunits had tidied up around the customs post, removed garbage from the territory, and even plowed up a strip of a young fir plantation, sowing it with grass: "specially for the Russian president," the local democratic press, which is steeped in Russophobia and opposes unity with Russia, caustically reported.

Nobody doubted that Yeltsin would participate in the ceremony — in terms of both its historical and its moral significance the event itself demanded the presence of the heads of the two states at the elimination of the border.

But Boris Nikolayevich did not want to go to Redki....

"It Is Not for the Czar To Dig Up Posts"

Minsk learned that he would not be removing the customs sign the day before the CIS leaders' meeting. One well-informed official said: "Boris Nikolayevich has been dissuaded by his advisers." But Yeltsin himself explained to journalists why he was not going to the ceremony with disarming simplicity: "It is not for the czar to dig up posts...."

The czar knows best whether or not it is a matter for him. But there is no doubt that he adopted a cunning decision. The people might have perceived the ceremony as a step toward the recreation of a unified state. The Russian president's participation in it would, of course, have been taken as his "go-ahead" for the revival of our common fatherland. At the same time, as a pledge to reunite the destroyed power. Alas, neither entered into the plans of the Kremlin advisers and their "czar." Just before the Minsk meeting of the leaders of the Commonwealth member countries he declared in an "Ostankino" interview: In the long term, he said, a union like the EU will be made out of the CIS. Clear and precise: There can be no question of any unified power — only a community of many separate states.

In this connection I shall cite the frank admissions of Grigoriy Yavlinskiy, one of the prominent "democrats" of the Belovezhskaya Forest period:

"Boris Nikolayevich and his immediate entourage had clear-cut political aims which they regarded as priority aims and which they wanted to realize in any event. These were, above all, the instant (in the literal sense — within a single day) not just political but also economic collapse of the Union, the elimination of all conceivable coordinating economic organs, including the financial, credit, and monetary sphere.... Russia's comprehensive

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isolation from all republics, including ones which at that time had not raised this question — for example, Belarus and Kazakhstan. This was the political order."

Whose order? It is not hard to guess: Let us remember whom Boris Yeltsin told of the result of the work done — the "liquidation of the USSR" — right away, without waiting for the ink to dry on the Belovezhskaya Forest agreements. But not everything was fulfilled in Belovezhskaya Forest. As Gaydar admitted in one of his interviews, the original plan provided for the complete and instant division of monetary systems, i.e. the Union's instantaneous economic breakup into separate "sovereign" parts. What prevented this? It was evidently fear of the people, who had expressed their desire to live in a unified country. But during the very first months after the Belovezhskaya Forest compact Yeltsin and his democratic team moved closer to their cherished goal — they started pushing the republics away from Russia economically. They were all expelled from the ruble area, including Belarus. The complete economic breakup, albeit not instantaneous, of the unified all-Union national economic organism was achieved.

The attempts at integration which had been made by the most farsighted politicians of certain republics were left hanging in midair. The Russian "democrats" headed by Yeltsin really did not destroy the country in order to reunite it.

Behind a Wall of Deception

Everyone remembers how Yeltsin publicly gave this assurance: This treaty will be concluded in any case.

This meant that the economic foundation of a unified confederative state could be created. Many people believed it. Only the "democrats" sniggered in the newspaper pages, increasingly boldly and openly maintaining that the unification of monetary systems would not happen. Whence came this confidence that Yeltsin was deceiving his fellow citizens? Alas, from the same old place.

"You cannot imagine what crazy pressure the West exerted at that time," Vyacheslav Kebich, former chairman of the republic Council of Ministers, who, incidentally, was elected a deputy on the new Supreme Soviet, recalls with bitterness. "If the documents that exist in the Council of Ministers were to be published, everyone would realize that the West was threatening an economic war in the event of monetary unification with Russia."

In order definitively to shed light on the situation, I will cite data on the two republics' level of economic development. In 1993, when the treaty had already practically been prepared, the annual per capita national income stood at 900,000 rubles [R] in Russia and R1 million in Belarus. Labor productivity stood at R2.75 million and R2.9 million respectively. Average monthly consumption of goods and services stood at R55,000 and R60,000.

Could the republic, whose degree of economic development was higher, have acted like a "weight" on the Russians? The dynamics of this development trend refuted the deception. During the very first year of the reforms the level of production in Russia was halved, while consumer goods production fell over three times more than in "antireform" Belarus. As for the living standard, there was no comparison. With identical growth in wages, prices increased by a factor of 26 times in Russia and 11 times in Belarus. A Belarusian was able to buy 105 kg of sausages a month, while a Russian's earnings sufficed only for 37 kg. Cameras cost almost 15 times less in Belarus, washing machines almost three times less, and television sets 1.5 times less.

The overall result is striking. Whereas by 1993 the living standard in Belarus had fallen 16 percent since the start of the reforms, in Russia it had fallen 276 percent (17 times more!) and was half the Belarusian level.

They were now two different states and two different economies. At the same time Belarus had secured a higher standard — both economic and living standard — under conditions when it lacked its own raw materials and energy sources, whose prices were far higher for it than for Russia. In the opinion of specialists, this really was an economic miracle, and it was achieved only by curbing market reforms. Russia was not helped either by its very rich raw material resources or by its own energy sources. All its advantages provided by nature were canceled out by the reformers.

In short, the fabrications about the "Belarusian weight" could have arisen only in the brains of opponents of a unified state. It was necessary to fulfill "clear-cut political aims" — to prevent the recreation of the country which they had destroyed. And, at the same time, to muffle the experience of Belarus, which was making it possible to pass sentence on the Russian reforms. Fear of that experience was increasingly taking over the "democrats." And Yeltsin "surrendered" the treaty.

The result is clear. Alyaksandr Lukashenka cited two figures in St. Petersburg recently. **The volume of Belarusian trade with the West used to stand at 12 percent, the rest being with Russia and the other components of the Union. Now it is 50-50. The closest republic to Russia has already been snatched by the West.**

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Everything according to the scenario whose essence is reflected in this slightly rephrased fragment: "The West said: 'You must!' Yeltsin replied: 'Yes, sir!'"

Living Standard: Higher in Belarus Than in Russia!

Boris Nikolayevich's refusal to go to Redki and "dig up a post," in the opinion of sober politicians, merely emphasized the chief point: Nothing in Yeltsin's position has changed. As before, he is just manipulating slogans of integration in order to curry favor with the people. He is doing what the West orders.

Meanwhile, events are moving along a well-trodden path. Sensing that the process of reunification with Russia and then also with the other union republics might commence in Belarus under pressure from the people, the "democrats" dashed into battle. Both the Belarusian "democrats" here and the Russian ones.... The same "arguments" and the same hand as in the attack on the monetary treaty. "Belarus wants to get married without asking the bridegroom. Russia was carrying out reforms, but Belarus and the Belarusian economy were collapsing," Mr. Dobrovolskiy, head of one of our dwarf democratic parties, pontificates from the Russian television screen. He is echoed from Moscow by RTR commentator N. Svanidze. Commenting on Yeltsin's words that it is not for the czar to dig up posts, he condescendingly remarks: Yeltsin can afford to do such a thing, "but Lukashenka is a bit younger, and his economy is a bit worse."

A tedious stream of deceit is once again swamping the viewer and reader. Yes, the living standard in Belarus has fallen to previously inconceivable parameters since the start of the "democratic era." But it is even lower in Russia. Here are the World Bank's data in its report on world development for 1994. Belarus is among the countries with above-average revenue. In terms of this indicator it is in the same group as the Hungarians, Greeks, Brazilians, and Portuguese. Russia, like the majority of the former union republics, is among the countries with average and below-average revenues....

Left-wing forces seem to have not yet realized the whole extent of the danger. Lulled by their victory in the referendum, they are celebrating. Not only in Belarus but also in Ukraine and Russia. Many people here have been plunged into thought by Gennadiy Zyuganov's statement: "I am sure that political integration is also proposed in the future." As though it were not clear that the present Russian leadership will never allow the recreation of a unified power.

...Thinking back to the solemn ceremony in the Belarusian village of Redki, each time I note one detail: There was no post as such. There was a barrier, and that was a symbolic one: Ribbons, which were cut by Lukashenka and V. Chernomyrdin. But what, in general, does this change? There are real political posts which have divided up our living fatherland and which are endeavoring to "mothball" it in this half-alive condition. Until they have been removed from all the commanding heights, there can be no question of any reunification of the power. It will contort itself in torment — caused by ruin and blood.

Agreement With Kazakhstan on Military Equipment

LD0807100295 Moscow ITAR-TASS World Service in Russian 1613 GMT 7 Jul 95

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Translated Text] Moscow, 7 Jul (ITAR TASS) — As a result of an hour-and-a-half meeting, Russian Deputy Prime Minister Aleksey Bolshakov and Kazakhstan First Deputy Prime Minister Nyghmetzhan Yesengharin have initialed an agreement between the two states on compensation for equipment and armaments transferred to Russian territory from Kazakhstan.

In an exclusive interview with ITAR-TASS the first deputy prime minister of Kazakhstan said that the agreement outlined the measures strengthening the defense capabilities of both countries. "Essentially Kazakhstan is handing over to Russia the military equipment that can be better used by the Russian Armed Forces," he said. "In its turn, Russia is sending to Kazakhstan several models of armaments that we will be able to use in our conditions."

The first deputy prime minister of Kazakhstan said that at the meeting they reached agreement regarding the positions on excise and export and import duties. In this connection it should be mentioned that the implementation of the first stage of the customs union between Russia and Kazakhstan expires on 20 July. According to the Kazakhstan minister, a protocol has been signed on the first issue. Nyghmetzhan Yesengharin said that Russian Deputy Prime Minister Aleksey Bolshakov arrives in Almaty next week. It is expected that a joint document will be signed there confirming that the first stage of measures to implement the customs union has been fulfilled.

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Political Issues

Yeltsin Calls For Calm After Chechen Murders

LD0807101195 Moscow ITAR-TASS World Service in Russian 0925 GMT 8 Jul 95

[FBIS Translated Text] Moscow, 8 Jul (ITAR-TASS) — Here is the full text of a statement issued today by Sergey Medvedev, the Russian president's press secretary, in connection with the murder of civilian inhabitants in the village of Prigorodnoye near Groznyy on Thursday night:

"Any killing of innocent people causes huge grief, and when the victims are children it is double the grief.

"I consider it possible that the bloody tragedy on the outskirts of Groznyy is a precisely and thoroughly planned terrorist act, that is meant primarily to accomplish a political task—of hampering the peace negotiations in Chechnya and intensifying anti-Russian and anti-Russian citizen attitudes in Groznyy. The terrorists have partly succeeded in this.

"The Russian president deeply grieves for the innocent victims and expresses confidence that the killers will definitely be caught and punished in accordance with the law. He calls on people to preserve calm and good sense and not to give in to emotions, however difficult it might be at this moment.

"The Russian president is taking the progress of the inquiry that has begun under his own strict supervision."

Yeltsin's Aides Confident Force in Chechnya Legal

LD0907141695 Moscow ITAR-TASS in English 1316 GMT 9 Jul 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, July 9 (ITAR-TASS) — Russian President Boris Yeltsin's senior aides expressed the confidence the Constitutional Court will back the president's decision to deploy troops in Chechnya.

Speaking at a press briefing on Sunday, Vice-Prime Minister Sergey Shakhray said "our side is absolutely confident in the legitimacy and constitutionality of the president's decrees and we will be able to prove this in the Constitutional Court."

Shakhray said his confidence was based on the "assessment of the situation in the Chechen republic, on the provisions of the Constitution of the Russian Federation and applicable legislation, which not only give the president and the government the right, but also obligate them to take the necessary measures, including the use of armed forces, in order to restore the constitutional system, ensure state security, restore its territorial integrity and enforce the rights and freedoms of the citizens."

"We do not think there has been a lack of political effort on our part to settle the situation in Chechnya. On the contrary, we feel guilty because the protracted process of political decision making in conditions when basically a regular army of a quasi-state was operating on part of Russia's territory has further aggravated the heavy consequences of the decision to use force and when we had to use it," Shakhray said.

He pointed out that he, presidential aide Yuriy Baturin and President of the Moscow Law Academy Oleg Kutafin will use all available figures, documents and facts to prove that "all fundamental principles of the constitutional system laid out in Chapter 1 of the Russian Constitution were breached in that part of the Russian Federation."

They also stressed that Chechen separatist leader Dzhokhar Dudayev infringed upon the principles of government by people, separation of powers, the rights and freedoms of the individual, the sovereignty of Russia, its territorial integrity and the secular character of the state, as well as the supremacy of the Russian Constitution and its laws.

"We are not going to talk abstractedly about what the Dudayev regime was doing. We will cite specific violations of each article of the Constitution," Shakhray said.

He said Yeltsin's representatives are determined to show that "by the time when the decision on the use of the military in the Chechen republic was adopted, all political means had been exhausted" and prove that "in December 1994, the only constitutional solution and duty of the president and the government of Russia was to use state coercive measures."

Chernomyrdin Welcomes Edict on Chechen Troops

LD0707152495 Moscow ITAR-TASS World Service in Russian 1434 GMT 7 Jul 95

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Translated Text] Moscow, 7 Jul (ITAR-TASS) — Despite the fact that the talks in Groznyy have been suspended until tomorrow in connection with the rally, and have taken the form of consultations, on the whole Russian Premier Viktor Chernomyrdin is looking favorably upon the strategy of the negotiation process.

Talking with a group of journalists, he said both parties "have approached decisions which could be made in order to resolve the so-called "Chechen problem". Viktor

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Chernomyrdin confirmed that he is regularly communicating with the government delegation in Groznyy.

The prime minister welcomed the edict, signed by Boris Yeltsin today, dealing with setting up machinery for implementing the presidential instruction of 3 July on deploying Russian military units in Chechnya. The premier said the new decree instructing the Russian Defense Ministry to coordinate the deployment of military units in Chechnya with executive bodies "defines and broadens" the former decree. Chernomyrdin admitted that the federal authorities jumped the gun by issuing the version of the decree as it was on 3 July. He also complained the discussion of the decree was "too painful".

Chernomyrdin on Outcome of Chechen Talks

LD0707201195 Moscow Russian Television Network in Russian 1625 GMT 7 Jul 95

[Interview with Premier Viktor Chernomyrdin by unidentified correspondent in Moscow; date not given; from the "Details" program — recorded; introductory paragraph read by announcer]

[FBIS Translated Text] There are civilian politicians who are not themselves involved in the fighting but who do not want peace in Chechnya. In the State Duma today, Zhirinovskiy tried to include on the agenda the issue of halting the talks and resuming the war. In short, there is plenty of interest in a breakdown of the talks. However, all the signs are that they will be continued. At any rate, Premier Viktor Chernomyrdin is thoroughly optimistic. [Video shows Chernomyrdin giving a lobby interview]

[Unidentified correspondent] Will you yourself take part in the talks?

[Chernomyrdin] You know, in point of fact I have been taking part in them, only here in Moscow. I am in constant communication with the negotiators, and again, when they arrive at a solution and when it is necessary to decide a fundamental issue or sign something, then of course I will take part. However, what is most important is that I will not be the only one involved. Everything is for some reason topsy-turvy and everyone seems to think that only Chernomyrdin is involved. The president is fully in the picture and we constantly consult on the matter. The Duma too is helping, albeit hampering at the same time, I think. One does not know who is helping the most. Nevertheless, it is not a simple process. This is why once again we...[Pauses] This is, of course, the most fundamentally important issue for us at the present time. I consider that we have arrived at those decisions which can be adopted in order to resolve this problem.

[Correspondent] Are you optimistic? Are you maintaining your attitude toward the talks?

[Chernomyrdin] Yes I am. I am convinced that we will see it through to the end. We will do so.

[Announcer] Chernomyrdin's optimism is confirmed by the president's edict today, in which he makes slight amendments to his own edict issued two days ago, on the Russian military presence in Chechnya.

[Chernomyrdin] Perhaps the matter was rushed a little. There has been a proposal that it be revised, improved, and added to. Naturally the edict will not be rescinded. Why should the president rescind it? It has now been made more comprehensive so that it reflects all aspects.

[Correspondent] Evidently taking account of what Arkadiy Volskiy had to say when he was in Moscow?

[Chernomyrdin] I did not hear and do not know what Volskiy said. I only heard that Volskiy gave a news conference — yesterday was it not?

[Correspondent] Yes, he held a news conference the day before yesterday and had fairly harsh things to say, in particular about Grachev, and expressed his confidence that the edict would be altered.

[Chernomyrdin] It was wrong of him to do so. This is not the time for all these harsh statements and emotions. We do not have time for this. Again, this concerned only one aspect of the edict but everything needs to be taken into account. This is why alterations and additions have been made to it.

Chernomyrdin on Budennovsk Incident

LD0707211895 Moscow Russian Public Television First Channel Network in Russian 1510 GMT 7 Jul 95

[Interview with Premier Viktor Chernomyrdin by correspondent Aleksandr Nevzorov in Moscow; date not given; from the "Wild Frontier" program — recorded]

[FBIS Translated Text] [Nevzorov] The State Duma put forward the Chechen war as one of the reasons for no confidence in the government. At the same time, for around the last 6 months the State Duma has been morally supporting the Chechen bandits, has been trying to stop the Army and the Government, and has prevented the Government from resolving the matter as quickly and professionally as it could have been resolved, without the interference by all these peacemakers — demagogues and wafflers — who were using this bloodshed to make a name.

[Chernomyrdin] I would not...[pauses] I can see that you do not like them at all. Russia has always had peacemakers...

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[Nevzorov, interrupting] You mean God's fools?

[Chernomyrdin] This business is far from being simple. Peacemaking is not a bad business at all. It always has been and it should be. I do not know what you mean. Even in Budennovsk, yes, they were there, and at some point they played a rather difficult role perhaps. Perhaps. I would like to repeat this again that experts will tell...

[Nevzorov, interrupting] You are talking very cautiously. I understand, you cannot talk in any other way. What do you mean by the phrase, "a rather difficult role"?

[Chernomyrdin] You mean the peacemakers?

[Nevzorov] Yes, Chernomyrdin said: They played a rather difficult role.

[Chernomyrdin] I will tell you. When we were trying to resolve the matter, we learned that there were more than 1,000 people in Budennovsk. Basayev gave guarantees that he would not touch anyone. At that time some people, including deputies, happened to be there. And not only deputies. There were people from the administration, the deputy head of Stavropol Territory administration was there. I must tell you that it was brave.

[Nevzorov] You used the word bravery. I cannot quite understand what a person — who has been awarded the highest bandits' order and who happened to be among the bandits — was risking? I cannot understand this, Viktor Stepanovich. What bravery are we talking about here?

[Chernomyrdin] Incidentally, he [not further specified] was not there all the time.

[Nevzorov] This is just about the question of bravery.

[Chernomyrdin] This is a different matter. This is from a different field. This is the kind of army we have, this is the kind of Interior Ministry we have, and special services and special units, and special purpose units, and OMON [Special Purpose Militia Detachments]. I can go on.

[Nevzorov] In spite of all these OMONs, for three days Russia was on its knees, including you, Viktor Stepanovich! It was not the best pose for the Russian premer.

[Chernomyrdin] Well, no, absolutely. What can I say? It was humiliating for me.

[Nevzorov] Will we disarm the gangs there?

[Chernomyrdin] Yes we will.

[Nevzorov] Will we preserve the Russian Chechen Republic as part of Russian territory?

[Chernomyrdin] Absolutely, there is no question about this.

[Nevzorov] Is Chechnya part of Russia?

[Chernomyrdin] It is part of Russia and this is beyond any discussion. However, the matter should be resolved in a normal way. In a normal and human way.

[Nevzorov] And how can one persuade the bandits who know — as a result of this normal way — that capital punishment is awaiting them? All of them deserve it already. How are you going to persuade them, Viktor Stepanovich?

[Chernomyrdin] Aleksandr, again I must say straightaway here that we have no right to allow another defeat. In my understanding we should work in a well thought out and clear manner so that it can be understood. There should be no concessions.

Look at my role today. What have we done? Perhaps not literally today, I mean lately; there are military operations on the one hand, and restoration work is under way on the other hand. On the one hand, we are smashing everything in our way, and at the same time we are following behind with huge funds collected from all over the country to restore what we smash. All this is being done by one government, by the same people, and the same ministers are involved.

[Nevzorov] Viktor Stepanovich, I believe you were fully aware of what was happening in Budennovsk, and that, inter alia, you knew about the storming. Even I knew about it. You must have known that the storming had been well prepared. The storming was intended to ensure the safety of the hostages' lives and to eliminate the bandits. Nevertheless, some peacemakers, either deputies or somebody else, had warned the hostage-takers, and at 0500 we were met by fire in Budennovsk. All 64 of Basayev's men, instead of the 12 who were supposed to guard the windows, were out there. Are you going to take any measures against those who, yet again, essentially betrayed Russia in Budennovsk and put everyone, including you, on their knees, and made you talk to the bandits? How many times did you speak with Shamil Basayev?

[Chernomyrdin] Many times. I don't know, I did not count.

[Nevzorov] You had to talk to this bandit, try to persuade him, you had to say good evening to him.

[Chernomyrdin] Incidentally, it is also a mystery to me. I only learned this later, not during those fateful days and nights, that our lads were already on the ground floor and almost reached the first floor, and then they were gone. Who, for what reason, why?

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[Nevzorov] Naturally, repetitions and platitudes, characteristic of official conversations, have been cut out. The meaning and the form of the conversation has been preserved as accurately as possible.

Baturin on Budennovsk Events

LD0907135995 Moscow INTERFAX in English 1223 GMT 9 Jul 95

[FBIS Transcribed Text] MOSCOW, July 9 (INTERFAX) — The Russian president's advisor on national security Yuriy Baturin told INTERFAX in an interview that he was not going to excuse himself from the responsibility for the events in Budennovsk.

He said that the collapse of the system of special services as a result of which many high-skilled specialists had left it, had contributed to the Budennovsk tragedy.

When asked if he wanted to offer his resignation together with the power ministers, Baturin said that by the time when the resignations of Stepashin and Yerin had been accepted, Yeltsin had already appointed him as the president's representative in the Constitutional Court for consideration of the Russian parliament's so-called Chechen inquiries. Baturin said his tendering resignation would have meant nothing but an attempt to flee from this difficult mission entrusted to him by the Russian president.

Baturin said that during his a year and a half performance as the president's advisor on national security he had not decreased the military capacity of special services.

"Moreover, I was doing my best to ensure normal conditions for the performance of special services," he added. Baturin repeated that the president had listened to his advice concerning the restoration of the Federal Security Service's investigation department, several special units in counterintelligence, etc.

Baturin said he was ready to account for his eighteen-month work but was not going to share the responsibility for the errors which had been committed in this area before his appointment.

Yeltsin Appoints New Chief of Protocol

MM1007111195 Moscow ROSSIYSKIYE VESTI in Russian 7 Jul 95 p 1

[Unattributed report: "Protocol Service Changes"]

[FBIS Translated Text] Boris Yeltsin has signed an edict turning the protocol service of the Russian Federation Presidential Staff into the Russian Federation President's Protocol Administration and the post of head of the service into the post of head of protocol for the Russian Federation president and assistant to the Russian Federation president in overall charge of the administration. The post goes to the 56-year-old expert in these matters, Vladimir Nikolayevich Shevchenko, who has performed the functions of chief of presidential protocol before.

For your information: We were told at the Russian Federation Presidential Staff that the new administration will have the job of coordinating work and actually organizing in conjunction with the Russian Foreign Ministry and other federal organs of executive authority the protocol aspect of top- and high-level visits to our country and visits by top Russian officials abroad, and also providing for their international contacts when the Russian Federation President, his wife, the leadership of the Presidential Staff, and, if necessary, assistants to the head of state are involved.

New Interior Minister 'Nicknamed Kamikaze'

MM0707160495 Moscow KOMSOMOLSKAYA PRAVDA in Russian 8 Jul 95 p 1

[Article by Igor Pankov and Olga Gerasimenko: "Grachev Seems To Have Gotten Another Enemy"]

[FBIS Translated Text] What is known about Colonel General Anatoliy Kulikov, the Russian Federation's new 48-year-old minister of internal affairs? From the mid-seventies he held leading posts in the MVD [Ministry of Internal Affairs]. In the customary way his service record ranges from platoon commanding officer to commander of Internal Troops. Since the end of 1992 he has been deputy minister of internal affairs.

It is known that A. Kulikov stayed loyal to B. Yeltsin during the October 1993 events. But Anatoliy Kulikov, just like ex-Minister V. Yerin, has a complex relationship with Pavel Grachev, the president's favorite. It is said that they were pulled apart with difficulty at a fashionable do.

Kulikov was born in the settlement of Aygurskiy, Stavropol Kray. He is considered a specialist on the Caucasus. He extinguished the conflict in North Ossetia and Ingushetia. He was extremely displeased with Chernomyrdin's order ending the offensive operations in Chechnya occasioned by the act of terrorism in Budennovsk. He even threatened to resign. As a result, he got the minister's seat.

Anatoliy Kulikov has a reputation among journalists as a sociable man. Lieutenant General Arkadiy Baskayev, chief of Moscow Internal Troops District, is named among his best friends. The new minister has three children.

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In his first "ministerial" interview Gen. Kulikov promised "important reforms in the MVD." Behind his back he has already been nicknamed kamikaze.

Kulikov on Interior Ministry Reforms, Budennovsk

LD0807204795 Moscow Russian Public Television First Channel Network in Russian 1700 GMT 8 Jul 95

[From the "Vremya" newscast]

[FBIS Translated Excerpt] General Kulikov, who has recently become a figure of note not only in the army, but in political circles, was today presented to the Collegium of the Ministry of Internal Affairs by the prime minister as the new minister of internal affairs. [passage omitted: Chernomyrdin thinks the ministry should combat crime and corruption]

[Correspondent] Anatoliy Kulikov is an experienced military man. Born in Stavropol Territory, he knows the traditions of the Caucasian peoples first-hand. He not only knows how to give orders, but also how to listen to his subordinates. [passage omitted: correspondent reviews biographical details]

[Begin Kulikov recording] Reforms are essential within the ministry. But nobody is planning to do anything drastic. Citizens of Russia should not be afraid of militiamen. They should take their troubles and concerns to them. It is the extent to which the public develops a feeling of confidence and security, a feeling of trust, which will be the criterion for our assessment. [end recording] [passage omitted: correspondent says Kulikov is cautious and takes responsibility for his decisions]

[Begin Kulikov recording] The tragedy in Budennovsk was an unprecedented cynical act of terrorism. All of us present here are directly involved in this tragedy. We will share the responsibility for what happened, and it is our duty to do everything possible so that a tragedy of this kind will not take place in future and that the bandits will not escape the punishment they deserve. [end recording]

Shumeyko Interviewed on Grachev's Dismissal

LD0907211895 Moscow NTV in Russian 1700 GMT 9 Jul 95

[Interview with Vladimir Shumeyko, chairman of the Russian Federation Council and permanent member of the Security Council, by program host Sergey Kiselev; place and date not given; from the "Itogi" program — recorded]

[FBIS Translated Excerpt] [Kiselev] Your statement at a meeting with the Russian state television company to the effect that you had voted for Grachev's resignation at the latest Security Council meeting was a sensation. Why did you vote like that?

[Shumeyko] I do not understand why this was so sensational.

[Kiselev] Because you effectively said that you favored the resignation of the defense minister, although the main bulk of resignations had already ended.

[Shumeyko] This is quite a big question. The Security Council was devoted to the events in Budennovsk. The interior minister, the head of the Federal Security Service, the defense minister, and the secretary of the Security Council made a negative assessment of their own actions in Budennovsk and prior to them. They all said approximately the same thing. They said that they were to blame for what had happened, and that they were ready to take responsibility, right up to resigning. The president, after consulting the Security Council on the spot, put the issue to a vote. The Security Council, when holding a vote, is split into two parts: Permanent members and ordinary members. When a vote is taken, the decision is made by the permanent members. There are very few of them: The secretary of the Security Council, the prime minister, two chairmen of the parliamentary chambers, and the president himself. One has to be very principled and clear about one's actions in this situation. Therefore, I do not wish to hide what happened during the vote. This is not a matter of any vendetta or grievances.

So, in this matter one has to act in a very principled and accurate manner. [passage omitted] I voted for the dismissal of all three heads of the power departments — Defense Minister Grachev, Internal Affairs Minister Yerin, and Sergey Stepashin, head of the Federal Security Service, alike.

Perhaps my personal attitude to these people has not changed. I have known them a long time and I know what they are capable of and how they work and how they work hard. But this is a completely different matter and the security system is not in keeping with the present-day condition of Russia. It needs to be changed. It needs to be reorganized and perhaps these individuals, having done all that they can do, are no longer capable of continuing.

[Kiselev] According to the INTERFAX information for Tuesday [4 July], during the voting for dismissal of the ministers, including Grachev, not only you voted, but also the president and head of government — so three out of five permanent members of the Security Council expressed themselves in favor of their dismissal, including that of the defense minister.

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[Shumeyko] Well, yes, but the fact is, it is not just the opinion of those members that is taken into account — as I said it is a consultative body, and they were in a minority — you see the fact of the matter. And yes, the system of national security is not relevant to today. And yes, it is a question of our internal policy. Because there is no economic prosperity and no political stability. But as regards the army, that is where one has to be most careful of all and one needs cadre changes and sharp reorganizations.

This advisory voting notwithstanding — in which, as INTERFAX reported and as I can confirm, the president too voted for the defense minister's dismissal — this does not mean that all these things have to be done straight away. Let us agree on one thing: The overall lack of morality in our entire society, in all of us, the overall laxity of present-day society in Russia, the total lack of discipline in society as a whole — all these things are only reflected in the army. They are reflected in its lack of discipline. This lack of discipline in the army can manifest itself in various ways — in indecisiveness, inaction, and helplessness, but also in atrocities. This laxity has reached its peak. This is indicative of our entire society, of our internal policy. If a lieutenant general can appear in combat conditions wearing full uniform and a pair of white gym shoes, if a soldier can walk about stripped to the waist with a kerchief round his head, if no one salutes anyone — this is no longer an army. It has to be reorganized — in a careful, calm, and precise manner. This is exactly what the defense minister, the president, and all the others are doing. Yes, in the opinion of most of the permanent members of the Security Council, the defense minister deserves to be dismissed. But this does not mean that everything has to be done rashly.

[Kiselev] However, the defense minister did not seem to feel that his position was shaky; Moreover, on Monday and Tuesday [3-4 July] in his numerous appearances on television he allowed himself to make statements with regard to the talks in Groznyy that most foreign news agencies assessed as covert criticism of the prime minister's peace initiatives.

[Shumeyko] Well, you see, I would not subscribe to this view. It is a fact that there are quite a lot of controversial aspects in these talks. There is but one objective: To do everything possible to bring peace there, to stop the pointless bloodshed. This then is the objective. But, on the other hand, the means and methods of achieving it are also immensely important for society. When the prime minister of a great power is forced to negotiate with a gangster, a terrorist the likes of whom the world has never seen — well, in humanitarian terms it is perfectly clear that Viktor Stepanovich was right; one would negotiate with anyone, be he Satan himself, to save people's lives and ensure that all this is brought to an end.

From the point of view of humaneness, this is absolutely clear. Viktor Stepanovich is right. One could have held talks with the devil himself to guarantee people's survival. On the other hand, from the point of view of the state's and society's development, it was quite unseemly of the prime minister to have held talks with the bandits and to have accepted their terms. That is another contradiction. All the current, very complex relationships are deriving from these contradictions. Therefore, whatever he [Grachev] said cannot be described simply in terms of his failure to understand the shakiness of his position etc. He is a military man. While he is ordered to remain as defense minister, he must be that defense minister without showing any uncertainty. Otherwise he cannot be an army general or a military man. His behavior has been absolutely appropriate.

PRAVDA Ridicules Power Ministry Reshuffle

MM0707140695 Moscow PRAVDA in Russian 7 Jul 95 p 1

[Commentary by Viktor Trushkov: "Even Familiar Surroundings Do Not Help. The Dismissals Were Haphazard. The Appointments Too?"]

[FBIS Translated Text] It is usually thought that familiar surroundings help to put you at ease. It seems, however, that the president's services do not feel at home either in the Kremlin or on Staraya Ploshchad. Otherwise they would have felt able to employ the old infallible form of words "Relieved of current post in connection with transfer to other work." And the president would not then have had initially to cite breach of labor discipline by Stavropol Kray chief administrator Ye. Kuznetsov in his edict removing him as governor and then later coyly correct himself by reference to the latter's "own request." However, given such a haphazard cadre policy, such blunders are no wonder at all.

But if the resignations were haphazard, perhaps the appointments will prove to be essential and advisable? This seems to be an impossible dream with the current authorities. What then does Yerin's job switch mean?

The Foreign Intelligence Service [SVR] is a very specific department. And it requires professionals with a specific background. However, let us say that fate dictates a political commissar becomes its head. If the reference books are to be believed, 65-year-old Ye. Primakov's CV reads as follows: As a scholar he rose to the rank of academician-secretary and member of the Presidium of the USSR Academy of Sciences;

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as an active communist he was elected a candidate member of the CPSU Central Committee Politburo; and as a deputy he rose to become chairman of the USSR Supreme Soviet Soviet of the Union.... All in all, a superabundance of high positions, but little is known for some reason about his secret work.

Given such conditions, the deputies have to be professionals in the specific metier. As these deputies keep a low profile, this is assumed to be the case. And then, all of a sudden, the illusions are shattered. Yerin is appointed deputy director of the SVR. The very same. At his personal request. This 51-year-old general's CV includes being a militia inspector, chief of Tatarstan's Criminal Investigation Administration, chief of the RSFSR Crime Control Agency, and, finally, minister of internal affairs. He is suitable for the SVR if it intends to shell some state's parliament. He could, in execution of the Service's mission, head an operational strike force in charge of restoring order in a region of ethnic conflict if riots are required in that region.... It is pointless looking for any other talents; the crime situation under him took a sharp turn for the worse.

However, when past masters of Yerin's caliber cause large-scale bloodshed which threatens to disturb the calm of the powers-that-be, the Kremlin is forced to call in the real professionals to do the difficult job. That is what happened when a courageous politician was required to resolve the Ossetian-Ingush conflict — they turned to V. Polyanichko. Now, following the carnage in the Caucasus, V. Mikhaylov has been appointed minister for nationalities and regional policy.

More is known about Vyacheslav Mikhaylov to date in terms of his work at the CPSU Central Committee Department of Interethnic Relations, which he headed, than his service in the Ministry for Nationalities and Regional Policy. With a doctorate in historical sciences, Mikhaylov was acknowledged by his colleagues as a specialist on the nationalities question. In 1992 Mikhaylov also came to notice as an active participant in the defense of CPSU interests during the hearings of that celebrated case in the Constitutional Court. He also took part in the work of the Second (Unification-Restoration) Congress of the Communist Party of the Russian Federation. Of course, the Russian president's Communist Party CV is even richer, but I would like to believe that not all former residents of Staraya Ploshchad are turncoats.

It cannot be ruled out, however, that the Kremlin will not bother to look for professionals for other vacancies. If the resignations are haphazard, it is logical to expect the appointments to be likewise.

Talk About Yeltsin Impeachment Seen 'Too Early'

LD0807160795 Moscow ITAR-TASS in English 1548 GMT 8 Jul 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, July 8 (ITAR-TASS) — "The process started in the State Duma by the Communist faction is not an impeachment of the Russian president, but preparatory work for the implementation of relevant provisions of the Duma Statute," President Yeltsin's aide Georgy Satarov said.

The announcement followed a recent move by Duma deputies who have collected 165 signatures to initiate impeachment proceedings. The deputies accuse the president of attempts to stage a coup and hinder the operation of the constitutional bodies of power, as well as of office abuse resulting in an outbreak of violence.

The deputies claim the president committed these crimes by signing decree 1400 "On Gradual Constitutional Reform" in September 1993 and ordering the military to ensure its implementation on October 3-4, 1993.

On Wednesday, the Duma is expected to consider a motion calling for the establishment of a special commission to bring charges against the president.

In an interview with ITAR-TASS on Saturday, Satarov said this procedure is provided for in Article 93 of the Russian Constitution. Under the Constitution, the deputies have to collect at least 150 signatures necessary for setting up such a commission. However, a motion of bringing charges against the Russian president can be put to vote in the Duma only after the Supreme Court and the Constitutional Court give their consent.

If the motion has been passed by no less than two third of the total number of Duma deputies, it goes to the Federation Council, the upper house of parliament, which has to consider it within three months. If it decides to go ahead with the impeachment of the president, it will require the support of at least two third of its members.

Satarov pointed out, therefore, that it is too early to talk about the beginning of the impeachment proceedings in the parliament.

'Death Squads' May Threaten Chernomyrdin

MM0707150095 Moscow KOMSOMOLSKAYA PRAVDA in Russian 7-14 Jul 95 p 3

[Interview with anonymous retired special services officer by Anatoliy Baranov and Aleksandr Lyashko in Moscow under the "From the Life of the Special Services" rubric; date not given: "'Kill Chernomyrdin!'

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— That Is One Scenario for Operations by Secret Organization of Former Special Services Officers Who Have Adopted the Weapon of Terror" — first paragraph is KOMSOMOLSKAYA PRAVDA introduction]

[FBIS Translated Text] In deciding to print this interview, we realized that we were touching on a difficult, not to say taboo, topic: the corruption of the authorities. However, we are motivated not by a hankering for exposes but by a wish so far as possible to stop the wave of terrorism that is apparently about to sweep over top state functionaries. The danger is all the more serious in that, as we can see, it is skilled people — special services officers — who are getting down to work....

In 1959 a group of senior French Army officers, furious at General de Gaulle's decision to withdraw troops from Algeria, established the OAS [Secret Army Organization] secret organization. The army officers set as their task the physical elimination of the president and the fight to remove the insufficiently patriotic government....

In 1991 a group of officers of the KGB and the General Staff's Main Intelligence Directorate, fearing that the democratic authorities would systematically destroy their special services, set up their own secret group called "Feliks." The tasks of the "Feliks" group have not changed since its iron namesake was removed from his pedestal on Lubyanskaya Square. They regard it as their duty to prepare public opinion for a drastic change in Russia's course and also to physically eliminate "venal politicians" among the country's top leaders.

According to our information, the "Feliks" group (also known as Special Section "F") unites around 60 special services officers with ranks from major to colonel. The special section is headed by a general. The members are aged between 31 and 45. Most of the officers are attached to other departments, including commercial banks and research institutes. During Soviet times some of the group served in the USSR KGB First Main Directorate's Directorate "A," which rehearsed active operations on the territory of foreign states. In simpler terms, sabotage and acts of terrorism against the leadership of countries that were likely enemies of the Soviet Union.

As an arena for exercises in indoctrinating the public mind the group chose the topic of drug trafficking across Russia's borders. In February of this year it was behind the appearance in the Duma, government circles, and newspaper editorial offices of a pamphlet entitled "International Drug Smuggling in the Former USSR." The pamphlet, like a series of subsequent articles in SEGODNYA and ZAVTRA (an interesting combination, isn't it?), noted that the economic and political elites in the new republics are linked to the international drugs trade. It also said that Russia and the CIS are unique as a facility for investing and laundering dirty money. Furthermore, what the authors of the pamphlet omitted to mention is almost more eloquent than what they said. Thus, according to information from reliable sources, the chairman of the board of a major Russian bank met and held talks with Colombian drug barons during a visit to Britain. Presumably they were not discussing a loan for the purchase of cocaine purification equipment.

After the rout of Chechnya as an optional center for the drugs trade in Russia, the "Feliks" group proposes drawing the special attention of the special services and troops to Azerbaijan and the Baltic republics (this applies particularly to Estonia) as points for the uncontrolled transit of drugs to Europe. The officers also approached the newly formed "power" departments with ideas for extricating Russia from an extremely ticklish international situation. They are still having regular meetings with the leaders of the Security Council and Main Protection Directorate. Unfortunately, the generals are not very receptive to strategic calculations. On top of which some of them get Latvia mixed up with Lithuania.

The title page gives the author of the pamphlet as one Ivan Ivanov — a collective individual, of course, a kind of figurehead. However, there is one man in the group who was more involved than the others in writing it. He is a 35-year-old retired major called Vladimir. He asked us not to give any more information about him. In the old days anything like that would have been instantly worked out, but given the present chaos in the special services you can stand in the middle of the Lubyanka and remain incognito.

Of course, it would have been most appropriate to meet with Vladimir far beneath the subway, in some dungeon with a dank and dripping ceiling. With rats running about, alarmed by the occasional sound of gunfire. Unfortunately, we could not come up with the proper surroundings. We simply sat in the gardens near the "Sovetskaya" Hotel and put our questions to Vladimir.

[KOMSOMOLSKAYA PRAVDA] Why did the secret services need to mount such a massive propaganda action? After all, in the spring alone 17 district and fleet newspapers, not to mention MOSKOVSKIYE NOVOSTI and SOVETSKAYA ROSSIYA, reprinted material from the pamphlet.

[Vladimir] In a certain sense this is both an act of desperation and an adventure. At first we tried to solve the problems facing us as professionals and as citizens within the framework of our usual actions. We wrote memorandums, prepared programs and blueprints, and

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worked with agents, including agents in the top strata of society.

But as events in the country began to assume an extraordinary character, it became simply impossible to act in the usual way inside the organs. The KGB has ceased to exist, but the people who have remained to serve amid its ruins today may lack many opportunities, but they do not lack professionalism. This also applies to the Main Intelligence Directorate, though to a lesser extent.

[KOMSOMOLSKAYA PRAVDA] Was this how the idea of influencing the situation via the mass news media arose?

[Vladimir] It's even broader than that. It is an attempt to influence decisionmaking. After all, with regard to being well informed top leaders are in the same situation as ordinary citizens. They are prey to the same stereotypes, the same delusions.

[KOMSOMOLSKAYA PRAVDA] So you are going to foster new stereotypes and delusions?

[Vladimir] Rather the contrary. We are going to prepare readers and listeners at large to react positively to the decisions that seem correct to us. A great many of my colleagues were skeptical about work with the mass media from the outset. But it was decided to exploit this opportunity before embarking on the next step.

[KOMSOMOLSKAYA PRAVDA] What step is that?

[Vladimir] Death squads. The possibility of them is mentioned in the pamphlet that started the whole thing. Especially as squads were organized in certain Latin American countries in full view of our special services. I personally met with the founder of the death squads in El Salvador during his lifetime. From the psychological viewpoint, the situation in which he decided on individual terror was exactly like ours. There are more than enough assassination targets — from politicians and major businessmen to corrupt journalists.

[KOMSOMOLSKAYA PRAVDA] Are you prepared to say when the second step will begin?

[Vladimir] Unless during this year real measures are taken to stop the disintegration of the state and its "power" structures and unless measures are taken to combat the functionaries and bankers who are performing criminal Western orders, Russian death squads will emerge from the ruins of the special services. They will take on the mission of physically eliminating the instigators of the destructive processes. This means primarily Premier Chernomyrdin and his stooges in financial circles. Then the Moscow group headed by Filipp Denisovich (Bobkov, formerly first deputy chairman of the USSR KGB — Authors' Note). [sentence as published] The people he is monitoring will also be killed — Moscow Mayor Luzhkov, Most- Bank leaders Gusinskiy and Polyakov. There may also be journalists who are well known in a certain regard: Minkin, Kiselev, Karaulov.

[KOMSOMOLSKAYA PRAVDA] You realize that after those statements the Main Protection Directorate and the Security Council are going to launch a hunt for you and continue until they succeed in finding you?

[Vladimir] Let them hunt. What can they do about between five and ten totally anonymous people professionally trained in carrying out terrorist acts? All it takes for a successful elimination operation is a single SVD sniper rifle, and the killer can get into even a protected building in the guise of an authorized plumber or guard, and he will have genuine papers. The assassination weapon could be poison, or anything else.

[KOMSOMOLSKAYA PRAVDA] How are the future elimination squads going to tell venal functionaries from honest state employees?

[Vladimir] We have plenty of information about corrupt officials taking part in the laundering of dirty money. For instance, several strange cases of poisoning were recorded in one Siberian region. To the surprise of medics and officers of [security] organs, it was established that the poisoning was caused by a drug similar to heroin. It transpired that the drug was contained in sugar that peasants had bought from a station supervisor who had stolen a couple of sacks from a freight train the previous day. The load of sugar belonged to a subsidiary of a major bank headed by a former minister. An investigation has been launched. Admittedly, officers of the Ministry of Internal Affairs are not particularly optimistic about its prospects. "The case will be wound up," one of them said to me.

[KOMSOMOLSKAYA PRAVDA] How far does the mafia permeate our banking structures?

[Vladimir] I will give you another example. In December 1994 and February 1995 meetings were held in London and Miami between Don Gilberto (nicknamed the Chess Player), the head of a Colombian cocaine cartel, and a group of persons involved in the activities of the "I" bank and the "G" and "L" joint-stock companies. The Colombians expressed readiness to immediately launder via a huge Russian consortium 2-2.5 billion narcodollars, which it was proposed to lend to the Russian Federation Government. Then the plan was that over three years up to 8 billion would be used to purchase shares from the state tranches. Finally, it was proposed to launder between $3 and $9 billion both by traditional meth-

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ods (via the Moscow group) and via participation in the privatization of real estate in the agrarian sector. Just imagine who would own Russian land and enterprises in a year or 18 months!

[KOMSOMOLSKAYA PRAVDA] Isn't the result that the "Feliks" group is using the national press in order to carry out a "special operation" of its own? Or is this a probe of public opinion by presidential structures?

[Vladimir] When some government functionary is murdered at a privatized state dacha, are you also going to ask whether the special services are trying to find out the public's opinion about this?

Independent Antibureaucratic Party Viewed

954F2702A Novosibirsk SOVETSKAYA SIBIR in Russian 1 Jul 95 p 4

[Interview with R.A. Kagramanov, general secretary of the Central Committee of the Independent Antibureaucratic Party, by A. Zharinov; place and date not given; under the "Almost Seriously" rubric: "The Tamer of Bureaucrats"]

[FBIS Translated Text] "ARGUMENTY I FAKTY has conducted a sociological survey among its readers to identify the 1994 Politician of the Year. It follows from the respondents' letters, faxes, cables, and telephone calls that 97.9 percent of readers support combating bureaucratism; in this connection, the editors chose NAP General Secretary R.A. Kagramanov the 1994 'Man of the Year' in the area of politics."

ARGUMENTY I FAKTY, 1 April 1995

[Zharinov] Tell us, Rudolf, how was this idea born? Out of a desire to become famous?

[Kagramanov] No. In the past, before 1984, I ran an illegal manufacturing factory—we made jeans, shirts, dresses. I lived in Leningrad. I had about 200 employees at my factory. When I was sentenced to seven years in jail, I got the idea of combating bureaucratism, making the law rule society.

[Zharinov] Were you sentenced fairly in keeping with those laws?

[Kagramanov] No, I have been exonerated....

[Zharinov] What are the goals of your antibureaucratic party?

[Kagramanov] The most important goals are sociopolitical, preventive.... Our task is to make Russians, people of the Earth, politically astute, so that no one can cheat them.

The second task is to make Russia a law-based state, to pull it out of the political crisis.

[Zharinov] Is the former perhaps more important than the latter?

[Kagramanov] No, a law-based state is more important. And we should start with judicial reform.... I have been giving my proposals to numerous bureaucrats, but nobody wants to look into it seriously. The people want to, but they do not. Because a human being in a way is also bureaucratic. We conform to natural laws this way: The brain center regulates all parts of the body through the nervous system. The state also is a large organism. It needs laws—regulators. We, on the other hand, do not conform to any natural laws, the law does not rule supreme. Which means the inevitable destruction of statehood.

[Zharinov] So you are saying that your main task is combating bureaucracy?

[Kagramanov] Not combating bureaucracy—making Russia a law-based state.... Combating bureaucratism.... This is when we get specific complaints and I have to act on them. But since there is only one of me (the party is large, but there is only one of me), I cannot help everyone. Not in my lifetime. I am only 40, and if every week I help at least one person, you can figure out how many that would make a year....

[Zharinov] Is it possible at all to defeat bureaucracy?

[Kagramanov] Very easily.... Have you not seen how in the United States Clinton accounts for every dollar, and files a declaration of income? And this is Clinton! We have nothing like this. Last year the president's chief of staff invited prominent people to participate in the Public Chamber. Our party sent me as its chairman to sign the Public Accord Treaty. I came with best of intentions—and got arrested, allegedly for not having a residence permit.

[Zharinov] Where does the dough for your trips come from?

[Kagramanov] This is party money.

[Zharinov] What kind? You must have indicated sources of financing when you registered your party?

[Kagramanov] Philanthropic contributions....

[Zharinov] Where are your headquarters?

[Kagramanov] In St. Petersburg.

[Zharinov] How many members does the NAP have?

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[Kagramanov] Everyone who supports the struggle against bureaucratism is its member. Although we do not have formal membership....

I say: Do not support me, do not support the party. Support our proposals! Zhirinovskiy and Zyuganov are the ones who need personal support.

[Zharinov] Are you against bureaucrats in principle? But the functioning of any authority, any state, is unthinkable without them.

[Kagramanov] In the past, I conducted a policy of eliminating bureaucracy, but now I conduct a policy of protecting bureaucratism and bureaucrats from people's wrath. Because if you stand at a subway station and begin saying "Down With Bureaucrats!" the people will enthusiastically support it, including resorting to extreme measures. Therefore, in a way I now protect the bureaucrats.

[Zharinov] So you agree that they are needed, after all?

[Kagramanov] They are needed, but they must work within the framework of the law. If they do this, we are not against functionaries.

[Zharinov] So, what have you managed to accomplish along your thorny antibureaucratic road?

[Kagramanov] The latest instance—I helped the Elektroapparat plant in St. Petersburg. Before 1917 half of its space belonged to Baptists, and the latter wanted to recover it. State Duma Deputy Sovitskiy supported them, and the mayoralty too. I came, conducted an investigation, and everything was left as before.

[Zharinov] This is, of course, an impressive example of your personal impact on the situation. What have you done on an all-Russia scale, though?

[Kagramanov] I have drafted a law on combating bureaucratism. If it is adopted, it could change a lot of things. I repeat, at its foundation is the supremacy of Russian laws. And no resignations! Because when a bureaucrat, who is involved in corruption and bribe-taking, is told to resign, he should not be permitted to just resign. He should be charged and tried.

By the way, do bureaucrats here in Novosibirsk make life difficult for you?

[Zharinov] No particular problems.

[Kagramanov] If you run into any, you can make an announcement that the newspaper is under the protection of Antibureaucratic Party Chairman Kagramanov. He will come and knock their heads together. That will take care of it!

[Zharinov] We will keep this in mind.

Bolshevik Communist Party To Boycott Elections

LD0907135295 Moscow INTERFAX in English 1335 GMT 9 Jul 95

[FBIS Transcribed Text] ST. PETERSBURG, July 9 (INTERFAX) — The All Union Bolshevik Communist Party (VKPB) will actively boycott the coming elections to the State Duma, VKPB Central Committee Secretary General Nina Andreyeva told INTERFAX in an interview.

She said the party aimed at returning power to workers, "restoring Socialist Fatherland and the Soviet Union." Andreyeva said the parliament could not help her party to carry out such tasks.

"We will not support any candidates at the elections, including Communists, but we will use the election campaign for explaining our position to voters," Andreyeva said.

She said she believed that the present State Duma was nothing but "political farce." Andreyeva said she considered it as inappropriate for her party to take part "in this mob."

Andreyeva said the number of her party's members was growing. She said the VKPB now included over 30,000 people.

Andreyeva said the statement of a VKPB former leader Alexander Lapin, who was excluded from the party six months ago, made at a press conference in Moscow last Friday was "bluff."

In particular, Lapin said that the second emergency congress of the VKPB had taken place in the Moscow Region in early July. He said he had chaired the congress. Lapin said that about 1,000 VKPB members in 21 Russian regions had left the VKPB.

"There is no split in the VKPB," Andreyeva said. She said Lapin was followed by a maximum of 20 people who had been excluded from the party or denied admittance to it. Andreyeva said Lapin had been excluded from the VKPB in January 1995 "for his separatist and provocative actions, for his ignoring the party primary organization and failing to pay membership dues."

Yeltsin Abolishes Council for Social Policy

LD1007072395 Moscow ITAR-TASS World Service in Russian 0612 GMT 10 Jul 95

[FBIS Translated Text] Moscow, 10 Jul (ITAR-TASS) — President Boris Yeltsin has issued a decree abolishing the Council for Social Policy under the president of the Russian Federation and its working apparatus. This was announced today at the president's press office. This

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step was taken, as noted in the announcement, with the aim of regulating the consultative bodies formed by the president of Russia and of avoiding duplication of their activities.

The president of Russia has instructed that a directorate (department) for social issues [napravelniye po sotsialnym voprosam] should be formed in the Analytical Center of the president of the Russian Federation and that the number of staff of this directorate should be increased by five.

Yeltsin Signs Directive on Sociopolitical Center

MM0707122995 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 5 Jul 95 p 5

[Russian Federation presidential directive No. 305-rp "On the Transformation of the Russian Sociopolitical Center," signed by Russian President B. Yeltsin on 29 June 1995, followed by "Composition of the Commission for the Transformation of the Russian Sociopolitical Center"]

[FBIS Translated Text] 1. The Russian Sociopolitical Center is to be transformed into the "Russian Sociopolitical Center" Foundation in accordance with Russian Federation legislation.

2. The Russian Federation Presidential Staff is to be the founder of the "Russian Sociopolitical Center" Foundation with the participation of other interested parties.

3. It is prescribed that the "Russian Sociopolitical Center" Foundation is the legitimate successor of the Russian Sociopolitical Center in accordance with Russian Federation legislation.

4. The appended composition of the Commission for the Transformation of the Russian Sociopolitical Center is hereby ratified.

5. The Commission for the Transformation of the Russian Sociopolitical Center is to formulate the requisite constituent documents by 1 July 1995.

6. This directive comes into force from the day it is signed.

[Signed] Russian Federation President B. Yeltsin

[Dated] 29 June 1995

Composition of the Commission for the Transformation of the Russian Sociopolitical Center

A.M. Salmin — member of the Presidential Council, chairman of the Russian Sociopolitical Center Council (Commission chairman)

I.M. Bunin — general director of the "Ekspertiza" Center for Entrepreneurial Studies

O.I. Vishnevskiy — executive director of the Russian Sociopolitical Center

S.A. Karaganov — member of the Presidential Council, deputy director of the Russian Academy of Sciences Europe Institute

A.V. Kortunov — deputy director of the Russian Academy of Sciences United States and Canada Institute, president of the Russian Scientific Foundation

A.V. Loginov — chief of the Russian Federation Presidential Staff Administration for Cooperation With Political Parties, Public Associations, Factions, and deputies of the Federal Assembly Chambers

S.A. Midoyants — general director of the Foundation for the Development of Parliamentarianism in Russia

S.B. Puginskiy — general director of the Russian Trade and Financial Union

V.Ye. Savchenko — deputy administrator of affairs of the Russian Federation president

M.A. Sivertsev — senior scientific associate at the Russian Academy of Sciences United States and Canada Institute

M.Yu. Urnov — chief of the Russian Federation President's Analysis Administration

V.S. Shakhnovskiy — administrator of affairs of the Moscow Government.

Decree on Migration Service Missions Signed

MM1007084795 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 6 Jul 95

[Russian Federation Government Decree No. 607: "On the Establishment of Russian Federal Migration Service Missions at Russian Federation Embassies Abroad," signed by V. Chernomyrdin, chairman of the Russian Federation government, in Moscow on 26 June 1995]

[FBIS Translated Text] With the aim of solving problems connected with the enforced migration of foreign citizens and individuals with no citizenship onto Russian Federation territory, and supporting compatriots abroad, the Russian Federation government decrees:

1. Russian Federal Migration Service missions are to be established in 1996 at Russian Federation embassies in foreign states in accordance with the appendix. The numerical strength of each mission is fixed as three to four individuals.

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2. The Russian Federal Migration Service, in coordination with the Russian Federation Ministry of Labor and the Russian Federation Ministry of Finance, is to elaborate and ratify, within a three-month period, a statute on Russian Federal Migration Service missions at Russian Federation embassies abroad.

Material provision for Russian Federal Migration service workers at Russian Federation embassies abroad is to be established according to the procedure and rate envisaged for workers in Russian institutions abroad whose maintenance is funded from centralized sources.

The rate of the official salary in foreign currency of the chief of a Russian Federal Migration Service mission at a Russian Federation embassy abroad is to be established at the level of 90 percent of the official salary of a Russian Federation trade representative in the country in which they are serving.

The Russian Federal Migration Service, in coordination with the Russian Federation Ministry of Labor and the Russian Federation Ministry of Finance, is to set official salaries in foreign currency for other Russian Federation Migration Service mission workers abroad at approximately the level of official salaries in foreign currency of the corresponding categories of workers at institutions of the Russian Federation Ministry of Foreign Economic Relations in the country in which they are serving .

3. The Russian Federation Ministry of Finance is to make provision for the allocation to the Russian Federal Migration Service as of 1996 of the necessary amounts in rubles and foreign currency for maintaining the Russian Federal Migration Service missions at Russian Federation embassies abroad.

[Signed] V. Chernomyrdin, chairman of the Russian Federation government

[Appendix] The list of states in which Russian Federal Migration Service missions are being established at Russian Federation embassies abroad:

The Republic of Armenia, the Republic of Azerbaijan, the Republic of Belarus, the Republic of Georgia, the Republic of Kazakhstan, the Kyrghyz Republic, the Latvian Republic, the Lithuanian Republic, the Republic of Moldova, the Republic of Tajikistan, Turkmenistan, the Republic of Uzbekistan, Ukraine, the Estonian Republic, and the PRC.

FAPSI Said Taking Control of Financial Markets

MK0807133095 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 8 Jul 95 p 1

[Unattributed report under the "Hold the Front Page!" rubric: "Securities Transactions Pass Under Special Services' Control"]

[FBIS Translated Text] All securities transactions on the Russian market will be carried out under control of the Federal Government Communications and Information Agency [FAPSI].

A presidential edict tasks FAPSI with the setting up of a Russia-wide telecommunications system to register operations on the financial market including securities transactions. This means that Russia's entire business community passes under control of the special services. Notably, clients of the telecommunications network will have to pay for services until January 1997. The giant assets will be divided between the Fund of President's Programs and FAPSI.

A fund called "Russian Financial and Fund Communications" is being set up in order to create telecommunications facilities under the control of the special services. The fund is being given one of the unfinished skyscrapers on Vernadskiy Prospekt.

It is planned in the future to create a Russia-wide Central Fund for the Storing and Processing of Share Market Information. This central fund will keep track of and store information on all financial operations and deals on the securities market, as well as copies of incorporation documents and mandatory reports of the founders of securities. The fund will also store share certificates.

The safekeeping of all information stored in the central fund will be the job of a special service. The Federal Commercial Information Protection Center was founded about two months ago as a directorate within FAPSI.

Military Issues

Grachev Interviewed on State of Air Defenses

LD0907214495 Moscow Russian Television Network in Russian 0600 GMT 9 Jul 95

[From the "Aty-Baty" program]

[FBIS Translated Text] During an inspection this week of air defense troops, Russian Defense Minister Pavel Grachev visited a number of air defense units. Even the most biased specialists have always regarded our air defense as one of the most important components of the defensive capability of the country's armed forces. The air defense men are equipped with very

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sophisticated modern technology and state-of-the-art communications. How successful are the officers and men in their mastery of them? Have all the systems of interaction in the units designed to defend us from surprise attacks by supersonic aircraft and superswift missiles been tried and tested? In particular, the minister inspected the work of the combat crews of an air defense surface-to-air missile regiment at the unit's command post and commanded a battalion's exercises during the training of its crews for action after a march. [Video shows Grachev conferring with a group of officers, an air defense facility, electronic instruments, mobile rocket-launchers, overflying aircraft; Grachev and others view proceedings; Grachev then shown being interviewed by unidentified female correspondent]

[Begin recording] [Unidentified correspondent] Pavel Sergeyvich, what is your overall assessment of the air defense system? You have just been on a visit and have had a look at it.

[Grachev] If we are speaking of the air defense system that we have just been inspecting, I would give it on the whole a positive assessment. The fact is that despite all the difficulties existing at present in the army and the country, we have been able as a whole to preserve the air defense system of the Moscow economic area. While reducing somewhat some of the subunits, transforming, let us say, the air defense army into a corps and cutting somewhat the numbers of personnel in the Moscow air defense district, we have preserved the air defense system as regards the detection and engagement of targets. We have reduced the system of electronic surveillance and intelligence-gathering. We have kept the missile attack warning system, and as a whole we have preserved the anti-missile defence system. Moreover, in 1994, again despite very difficult conditions, we managed to introduce the so-called S-50 system. This system unites all those components that I mentioned into a single unified air defense system.

[Correspondent] Pavel Sergeyevich, what did you want to become as a child?

[Grachev] You are asking me a personal question now, are you?

[Correspondent] It is all the same for our broadcast.

[Grachev] Well, I wanted only to become a soldier. There had never been any military people in our family. From early childhood I was into sports, and I was quite a good skier. From early childhood I dreamed of becoming a skiing trainer.

[Correspondent] Pavel Sergeyevich, have you ever regretted becoming a military man and linking your life with the army?

[Grachev] No, until I became defense minister I had never regretted it. My service seemed to progress quite well. I endeavored to work well, was noticed by my comanders, and received fast promotion in rank and quickly obtained posts. I also received awards from our homeland. Therefore until I became the commander of airborne troops, I had no regrets that I had become a soldier. But then life took various turns and my fate was sharply altered. I was made a deputy defense minister of the Soviet Union, and then later defense minister. These are, of course, two very different things. I do not know whether or not if I had my life all over again, I would have become a soldier. It is hard to say. But now service work is quite different.

[Correspondent] Pavel Sergeyevich, from your own experience, when does a man feel himself to be a real fighting man and defender of his homeland?

[Grachev] Are you referring to soldiers?

[Correspondent] Yes, soldiers.

[Grachev] I should not think that at the age that people are now called up — at 18 years — that a soldier feels himself to be a real soldier, although Chechnya has shown that in extreme conditions our men grow up and mature very fast. My opinion is still that, first, to feel oneself to be a real soldier, it is necessary not just to go through school or, say, a vocational and technical college or institute. It is necessary indeed to get an education of some sort, whether it be secondary or higher education. One needs to get some experience of life and suffer somewhat its knocks and upheavals, grow up a bit, and then after one has gone through all this one feels oneself to be a soldier. Therefore it is my unequivocal opinion that people should be called up after they have graduated from a higher or secondary educational institution at around the age of 21 or 22 for two years. The conscript will then already have a real outlook on the world and his own views of life and will be sufficiently responsible for the country's fate, and at any rate perform his service conscientiously. [end recording]

Federal Assembly

Duma Assesses Talks With Dudayev Representatives

LD0707173095 Moscow ITAR-TASS in English 1707 GMT 7 Jul 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, July 7 (ITAR-TASS) — The majority of Russian politicians in the State Duma appraise the negotiations process in Grozny

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with Dzhokhar Dudayev's representatives on the whole positively, although they criticize the federal authorities in various aspects of the peace settlement in Chechnya.

The beginning of the talks did not arouse such a synonymous reaction from the Russian political establishment as it was last autumn after the start of military operations by the federal forces when only national patriots such as Vladimir Zhirinovskiy or Sergey Baburin approved of the federal authorities' actions.

After announcing an armistice and the beginning of a dialogue in Groznyy, the majority of politicians told ITAR-TASS in the lobby of the State Duma that they were rather optimistic although there are also pessimists forecasts. The fact which causes most criticism is that the Russian President decided to keep Defense minister Pavel Grachev at his post.

"The Russian delegation has achieved a lot in Groznyy," Sergey Yushenkov, chairman of the Duma Defense Committee and one of the party "Democratic choice of Russia", believes. He specifically stressed the fact that Dudayev's side recognized terrorism as a crime and condemned its manifestations.

Sergey Yushenkov emphasized that the agreements on holding elections, the exchange of prisoners-of-war, and specifically on disarmament were unthinkable not long ago. "If this delegation's efforts are not impeded it will achieve very much," he noted. In his view, everything depends on the Russian side as Dudayev's supporters have no longer resources and reserves to continue military operations.

Vladimir Lukin, chairman of the Duma committee on international affairs and representative of the "Yabloko" faction, believes that "there is too great fuss" around the talks in Groznyy.

"The negotiator must be invisible for the talks to be effective," the former Russian ambassador to the United States voiced. In his view, the success of the negotiations is impeded by "too great advertising of them and the absence of coordination between Russian departments".

It is also necessary to take into account the fact that even if this fighting causes large losses "the enemy will not disgrace itself under any circumstances", the Russian politician pointed out.

Gleb Yakunin, co-chairman of the federal party "Democratic party" considers that the success at the negotiations is possible, as, according to him, President Boris Yeltsin gave the go-ahead for it despite Pavel Grachev's resistance.

Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation, affirms that now with the beginning of the negotiations process, the version is exactly being realized which was earlier proposed by the Communist Party. "Many proposals which are now under discussion, have been put forward by us for half a year: this is bad that our politicians are now returning to what was evident 8-10 months ago", Gennadiy Zyuganov stressed.

Vladimir Lysenko, chairman of the Republican party of Russia and member of the Duma committee on the Federation and regional policy, appraises the prospects for the negotiations process rather pessimistically.

"Before the presidential elections in Russia, a guerrilla war will be continued in Chechnya, and the situation there will be very tense", but the current talks are unlikely to bring any real positive results, he stated.

Vladimir Lysenko believes that the Chechen side is simply winning time for the restoration of its forces and later will resume combat actions. Most likely, the talks will become "a dialogue of the deaf people, and everything will end by statements that the opposite side violates the terms of the armistice", the Russian parliamentarian noted.

He believes, the fact that Pavel Grachev still remains Defense minister is conducive to the absence of progress at the talks. According to him, Pavel Grachev "has become a symbol of this war to a greater extent than Viktor Yerin and Sergey Stepashin".

Besides, the Duma deputy expressed doubts that Dudayev and his adherents would leave the political arena voluntarily resigning themselves to such events when elections in Chechnya would be organized by the federal authorities without their participation. "There are practically no chances now of an amnesty and honest elections," the leader of the Republican party of Russia pointed out.

Council Urges Economic Reform in Chechnya

LD0907144595 Moscow INTERFAX in English 1334 GMT 9 Jul 95

[FBIS Transcribed Text] MOSCOW, July 9 (INTERFAX) — The Federation Council urged Prime Minister Viktor Chernomyrdin "to envisage spending on operations to disarm the illegal armed groupings in Chechnya and to rehabilitate the Chechen economy while specifying the 1995 budget, and compensate the Interior Ministry for spending for this purposes in the first half of 1995."

On July 5, Russia's Deputy Interior Minister Vladimir Strashko told the Federation Council that the Interior

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Ministry had already spent 590 billion rubles on the restoration of the constitutional order in Chechnya.

The Federation Council's appeal says that financial problems experienced by the Interior Ministry bodies is putting the Russian citizens' personal security, and the economic, social and political stability in this country in jeopardy.

The document also says that as a result of "insufficient financing in the first half of 1995 and the failure to repay the debts for 1994" the Interior Ministry personnel and troops, "who have to work 12-15 hours a day, have not received their salaries for 2-4 months." "Neither have they received retirement benefits for seven months, nor had an opportunity to go to holiday centers with their families or undergo medical treatment at heath and recreation centers," it goes on to say.

In addition to this, "through the fault of irregular financing, the Interior Ministry bodies and troops are poorly equipped and have not enough means of transportation, and the situation in the correctional labor institutions is deteriorating," the document reads.

"The situation results from the fact that the spending on the Interior Ministry, reserved in the 1995 budget was insufficient and is the consequences of financing combat operations in the Chechen Republic from the budget of the current year," says the appeal of the Federation Council.

Communist Deputies Attempt To Impeach Yeltsin

MM0707123295 Moscow ROSSIYSKAYA GAZETA in Russian 7 Jul 95 p 1

[Report by Natalya Bachurina: "Sword of Damocles Over President or Election Bluff?"]

[FBIS Translated Text] The parliament-government crisis has been overcome. Relative calm has prevailed in the Duma but the political barometer is a long way from clear weather.

As we know, on 23 June at a plenary session of the Duma when the question of the vote of no confidence in the government was first being decided, O. Mironov, a deputy from the Communist Party of the Russian Federation faction, "gave voice" to the Communists' demand that the question of the president's impeachment be included on the agenda.

The demand was not unexpected. Even earlier the idea of B. Yeltsin's removal from his post had been put by Deputy G. Seleznev, who had previously distributed inside the Duma a message of appropriate content suggesting that a deputies' group be formed to draft the text of an indictment against the president. So that the deputies would not have to strain their memories as to how the actual impeachment procedure is organized, a memorandum about it was also printed and issued to each.

The "onslaught" on the president began but on that day the Communists' efforts to raise the question of impeachment met with no success. The majority of deputies by their vote decided not to burden the already strenuous agenda with this explosive subject. Moreover, the initiators of the impeachment process had mentioned only verbally the 150 deputies' signatures needed to begin the procedure, but the document with these signatures was not submitted. However much O. Mironov argued with I. Rybkin that it was enough to organize a roll-call vote which would give these 150 signatures and more, I. Rybkin firmly insisted on the observance of the necessary formalities with specific names, not phantoms. Moreover it emerged that among the signatories there were "apostates": Deputy A. Shabad stated that his signature was not on the document on the president's impeachment.

There the matter would seem to end. Against the background of what was then the obscure subject of a vote of confidence or no-confidence in the government, the idea of impeachment retreated into the shadows but did not disappear from the horizon. It has become known from informed sources that the relevant work is still under way in the quiet of some Duma offices.

Attempts to ascertain anything specific in the security committee, still less to obtain any documents which one might suppose were no great state secret have come up against a blank wall. No, they did not conceal the fact that the question of impeachment is being worked on, as they say. But one of the committee chairman's aides noted, the charges against the president have not been definitively formulated and so are not liable to public dissemination and outsiders are not being allowed into the "kitchen." The only thing that was eventually offered to me was a meeting with A. Lukyanov, a member of the committee for legislation and legal and judicial reform, in whose hands all threads of the issue are concentrated.

Anatoliy Ivanovich agreed to answer ROSSIYSKAYA GAZETA's questions.

"Yes," he confirmed, "on the basis of article 93 of the Russian Federation Constitution we intend to impeach the president in accordance with all rules. To initiate the procedure 164 signatures have been collected from deputies not only from the Communists' faction but also from the Agrarian party of Russia, the Liberal Democratic Party of Russia, and the Democratic Party of Russia. The signatures are being passed on to the State Duma Council. Then a special commission should be

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created from all factions consisting of 12-13 members whose duty will be to monitor the observance of procedural rules. Nothing else is required of the Duma including arguments over whether to discuss the issue or not. Its duty is to make a decision to send the proposal on leveling charges against the president for the conclusion of the special commission and also to the Supreme Court to establish indications of a crime in the president's actions."

"What charges precisely are you and those who think like you leveling against the president?"

Anatoliy Ivanovich finally uncovered the file of documents lying in front of him. I admit that I could not help remembering scenes from detective films in which the investigator carefully follows every movement of his interlocutor — God forbid he should see something he shouldn't.... Nonetheless I ventured to ask him to at least to make copies for the editorial office of the main documents containing the main points of the charges against the president. In response I god a stern look from beneath his glasses.

"This is not the final version," Lukyanov snapped, slamming shut the secrets with an official hand. "I shall say the main things myself and when the time comes the mass media will receive all they need."

The further development of events has shown that the question of impeachment has been included on the State Duma agenda for 7 July.

Lukyanov failed to mention just one thing: Impeaching the president on the eve of the elections is a convenient position. Building the election struggle on keen criticism of the head of state can be done very effectively but it is twice as effective to go to law against him...

Zyuganov Cited on Impeachment Procedure

LD0707191095 Moscow INTERFAX in English 1538 GMT 7 Jul 95

[FBIS Transcribed Text] MOSCOW, July 7 (INTERFAX) — The Communist faction's initiative in the Duma to start impeachment procedures against Russia's president must demonstrate to the public that "the president is held responsible and is under parliamentary control," the faction's chairman Gennadiy Zyuganov declared at a news conference on Friday.

As INTERFAX has reported, the State Duma on Friday postponed until next week a debate on the formation of a special commission to consider the charges brought against the Russian president. (Among these charges — obstruction of the activities of the constitutional authorities, launching military operations in Chechnya without sanction from the Federation Council, etc.).

Factions are to submit their lists of commission members by Wednesday [12 July]. The Communists' initiative was favored by 165 deputies (150 or one-third of the total number were needed).

Zyuganov emphasized that his faction wants "all officials to be responsible to his citizens and honor the law."

Zyuganov also noted that the initiative's sponsors were aware that if the president were impeached, under the federal Constitution power would be transferred to the Prime Minister Viktor Chernomyrdin, who leads the public and political movement Our Home Is Russia. He reminded, meanwhile, that in such a case Chernomyrdin would be obliged to declare elections within the terms fixed in the Constitution.

Duma Fails To Override Yeltsin's Veto

LD0707191695 Moscow INTERFAX in English 1538 GMT 7 Jul 95

[FBIS Transcribed Text] MOSCOW, July 7 (INTERFAX) — The State Duma failed to override Friday the president's veto of the law that binds officials to come to parliamentary sessions when invited by deputies.

A total of 300 votes are required to override a presidential veto, but only 234 deputies voted to pass the law on guarantees of the two houses of parliament's work.

Anatoliy Stepanov, deputy Russian justice minister and Russian president's official representative on the issue reproached deputies that the law "contributes to suspicion and confrontation" in the work of the branches of power.

An INTERFAX parliamentary correspondent says that the law was passed by the State Duma after various ministers ignored, several times, the Federal Assembly's invitations to attend the sessions, or sent their deputies.

Duma Passes Referendum Law; Council To Endorse

LD0707134695 Moscow ITAR-TASS in English 1248 GMT 7 Jul 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, July 7 (ITAR-TASS) — Another constitutional law, "On the referendum in the Russian Federation", was passed by the State Duma on Friday. As many as 337 deputies voted for the law. There were no votes against and no abstentions. The legislastive act will immediately be referred to the Federation Council to be endorsed.

Every Russian citizen who is no younger than 18 years of age on the day of the referendum has a right to

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participate in it. Those who are found to have no legal capacity or those who are kept in places of detention under court sentences cannot take part in referendums.

Under the law, a referendum cannot be held in conditions of the martial law or the state of emergency introduced all over Russia and also cannot be held for three months after the lifting of the martial law or the state of emergency. One of the key provisions of the law is that the initiative for holding the referendum can be made by no less than two million citizens having the right to participate in the referendum on condition that no more than ten per cent of them reside in the territory of one the subjects of the federation or beyond Russia's limits. The Constitutional Assembly can also make this initiative.

A referendum is appointed by Russian President who stipulates the day of its holding by a decree. Under the law there can be no holding of presidential elections, of elections of federal bodies of state authority, organs of state authority of the federation subjects and local government bodies at the same time with the referendum.

The preparation and holding of a referendum in Russia is effected by the central electoral commission which acts as the central commission of the referendum of the Russian Federation, as well as electoral commissions of subjects of the federation.

The central commission of the referendum regards it valid if no less than half the number of citizens having a right to take part in the referendum participated in the voting. The central commission recognises the decision as passed by the referendum if over half the number of citizens who participated in the voting in Russia as a whole vote in its favour.

Duma Agrees to Amendments to Foreign Trade Law

LD0707174795 Moscow INTERFAX in English 1538 GMT 7 Jul 95

[FBIS Transcribed Text] MOSCOW, July 7 (INTERFAX) — The Russian State Duma (lower house) Friday approved a new law on government regulation of foreign trade after accepting presidential amendments.

One of them stipulates that the president will endorse a government list of military-related exports of materials, hardware, technologies and services which are being used or can be used for the development of mass destruction weapons or means of delivering them.

Also deleted is one other provision instructing Russian trade missions abroad to monitor the observance by export producers of Russian interests in other countries. The law has now been sent to the upper house.

Government To Pay Debts to Defense Industry

MK0807115095 Moscow SEGODNYA in Russian 8 Jul 95 p 2

[Report by Svetlana Lolayeva under the "Military Industrial Complex" rubric: "The Duma Has Obliged the Government To Pay Debts to the Military Industrial Complex Within Three Weeks; Otherwise the Cabinet May Be in Danger of Another No-Confidence Vote"]

[FBIS Translated Text] The State Duma devoted several hours yesterday to the consideration of the question "On the Critical Situation at Military Industrial Complex [MIC] Enterprises." According to data presented by Yuriy Glybin, first deputy chairman of the State Committee on the Defense Industry, since 1991, the volume of production in the MIC has decreased more than five times. In the first five months of this year, however, the rate of decline in production has slowed down: The reduction was only 25 percent, as compared with 50 percent over the same period in 1994. In 1995, the envisioned state support of the defense industry amounts to 3.8 trillion rubles, but the data for the last five months show that the funding of purchases of arms and military equipment was 19.6 percent, and that of research and development work, 9.9 percent. Budgetary debts to the defense complex for 1994 amount to 1.8 trillion rubles. Delays in paying salaries to workers in the defense industry — which are 1.7 times lower than average salaries in industry on the whole — are two to three months. In the opinion of Sergey Glazyev, chairman of the Duma Economic Policy Committee, "the state is deliberately creating conditions under which the MIC will be unable to survive." In his words, "there is no point in considering the 1996 budget until state obligations to the MIC for this year are fulfilled." Sergey Glazyev proposed that, in case the government fails to fulfill the Duma resolution on the situation in the MIC, the question of no-confidence in the government be raised again.

According to Sergey Burkov, chairman of the Ownership, Privatization, and Economic Activity Committee, an analysis of financial and economic activity of the MIC's privatized enterprises (75 percent of enterprises have been privatized) has shown that privatization has failed to curb the production decline, to solve the nonpayments problem, and to boost investment activity. Over the past year, revenues from the privatization of defense industry enterprises amounted only to 10 billion rubles, and the state, maintaining a very poor oversight of the privatization process, has lost its control over many defense industry enterprises. As Mr. Burkov said, several cases have been disclosed in which large parcels

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of shares were purchased by foreign companies, with the greatest interest shown in aviation and electronic industry enterprises. In the opinion of Viktor Ilyukhin, chairman of the State Duma Committee for Security, "damage incurred to the MIC are comparable to losses sustained in a great war."

In the resolution on the results of discussion, adopted by the Duma by 285 votes, the government is instructed to pay its debts to the MIC for 1994 and for six months of this year by 1 August; to adopt a monthly schedule of financing arms purchases and research and development work in accordance with the defense industry state order for 1995; to extend for a period of three years the term of assigning joint-stock companies' "golden shares," the assignment term of which expires in 1995-1996, to state property; and not to lift this assignment ahead of schedule from the state-owned shareholdings of MIC enterprises. In addition, it is recommended to speed up the creation of the state fund for conversion and the elaboration of state programs for armaments, military equipment, and the development of defense industry potential for the period until 2005.

Duma Decree on Aid for Agriculture Published

MM0707125295 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 5 Jul 95 p 6

[Russian Federation Federal Assembly State Duma decree No. 929-1 GD "On Extraordinary Measures To Overcome the Critical Situation Relating to the Production of Agricultural Output and Food in 1995," signed by I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma, in Moscow on 23 June 1995: "Emergency Aid for the Countryside" — from the "Document" section]

[FBIS Translated Text] Negative processes are continuing in the agro-industrial complex in 1995: Production and technical potential are on the decline in the countryside, the social situation is deteriorating, and the price disparity between agricultural and industrial output is growing. As a result the area sown to crops and the number of livestock and poultry are falling and procurements of output are not being ensured, which is resulting in a considerable reduction in food resources in the country. Thus, in the first five months of 1995, meat and milk production at farms of all categories dropped by 23 and 15 percent respectively.

Federal laws and Russian Federation Federal Assembly State Duma and Federation Council decrees adopted on questions pertaining to extricating the agro-industrial complex from the profound crisis are in most cases not being implemented.

Despite the seasonal nature of expenditure in agricultural production, only 2.9 trillion rubles [R] of the R8.5 trillion in appropriations for this purpose stipulated in the Federal Law "On the 1995 Federal Budget" had been allocated as of 15 June 1995, representing 34 percent of the envisaged annual quota.

Implementation of the Federal Law "On Procurements and Shipments of Agricultural Output, Raw Materials, and Food for State Needs" is not being ensured as regards the provision of advance payments to rural commodity producers for output supplied by them to federal and regional food stocks.

Despite the critical financial situation prevailing in the agro-industrial complex, primarily in agriculture, the Russian Federation Government and the Central Bank of Russia have not ensured the implementation of Federal Law No. 46-FZ "On the Conversion of the Debts in Respect of Centralized Credits and Interest Payable Thereon Owed by Agro-Industrial Complex Organizations and Organizations Employed in the Delivery (Storage and Sale) of Output (Commodities) to Regions of the Far North and Equivalent Localities" of 24 April 1995 as regards the conversion of debts owed to commercial banks which provide credit for Russian Federation agro-industrial complex organizations.

As a result the spring sowing campaign was accompanied by tremendous difficulties and problems. In most regions proper techniques were not observed and supplies of mineral and organic fertilizers were extremely inadequate.

The Russian Federation Government failed to promptly resolve matters pertaining to supplying rural commodity producers with fuel and lubricants, spare parts, mineral fertilizers, and other necessary resources. The requisite conditions were not created for the prompt procurement of feed and implementation of the harvesting campaign. Notwithstanding a general decline in the quantity of harvesting equipment, 50-55 percent of basic feed procurement machinery was in a state of readiness, along with 47 percent of grain combines. Rural commodity producers are slow to repair them owing to lack of funds to buy spare parts and pay for repairs.

The situation in agriculture is also being aggravated by the prevailing extremely adverse weather and climatic conditions over most of European Russia, the Urals, and West Siberia. Specialists estimate that around 24 million hectares, or almost one-fourth of the entire area sown to crops, have suffered as a result of the severe drought in the early spring.

At the same time, owing to delays in the provision of funds for land reclamation organizations and the huge

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debts owed by them for electricity, irrigation units are not in operation, which will result in a considerable harvest shortfall.

Bearing in mind the extremely alarming situation as regards the country's food supply the Russian Federation Federal Assembly State Duma decrees that:

1. The Russian Federation Government is to be asked to adopt within one week a special decree laying down measures to overcome the adverse weather and climatic conditions in regions afflicted by drought and to conduct the harvest campaign in an organized fashion, making provision for:

—the channeling of appropriations envisaged in the federal budget for the partial reimbursement of insurance payments into assisting rural commodity producers in eliminating the consequences of the drought;

—the provision of funding of at least R4.5 trillion in the first half-year and of R7.6 trillion by 1 September 1995 for all areas of agricultural production;

—the allocation of R2.7 trillion by 15 July 1995 to the Federal Food Corporation under the Russian Federation Ministry of Agriculture and Food within the prescribed limits for federal budget funding in 1995 to cover one-half of the cost of grain, oil seeds, sugar beets, flax, potatoes, fruit, and vegetables procured for state needs;

—the ensuring of the shipment to agriculture of 5.3 million tonnes of diesel fuel and 2.85 million tonnes of automobile gasoline in the period July-October by means of both the provision of commodity credit and the allocation of other requisite sources for the procurement of fuel and lubricants, and their delivery from state resources;

—the allocation prior to 15 July of R300 billion from the funds envisaged in the 1995 federal budget for the formation of a leasing fund for the procurement of spare parts and their delivery to rural commodity producers for the repair of harvesting equipment on the basis of commodity credit with these funds subsequently being returned for the implementation of leasing operations;

—the establishment for farms afflicted by drought, and therefore lacking in feed, of compensation of around 50 percent of the cost of feed procured from other farms and feed production enterprises;

—the introduction of preferential 50-percent railroad tariffs for feed and grain shipments to regions afflicted by drought. Where necessary, proposals are to be formulated regarding amendments to the Federal Law "On the 1995 Federal Budget";

—the establishment of a preferential tariff for electricity used by rural commodity producers to irrigate agricultural crops and to carry out the work of drying and sorting grain;

—instructions for the Russian Federation Ministry of Finance to allocate poultry farms and livestock farming complexes a budget loan of R1.5-trillion in the third quarter of 1995 for the procurement of forage grain in return for contracts to supply eggs and meat in order to ensure deliveries of livestock farming output to federal food stocks.

2. Executive organs of Russian Federation components are to be instructed:

—to provide rural commodity producers with support in order to ensure the maximum possible production of output and its shipment to federal and regional food stocks using funds from the relevant local budgets;

—to mobilize, where necessary, the manpower and material and technical resources of enterprises and organizations located in the relevant territories in order to bring in the harvest promptly and prevent losses of output;

—to make provision for the allocation of the requisite local budget funds to poultry farms and livestock farming complexes for the procurement of forage grain in return for livestock farming output supplied to regional food stocks.

3. The Russian Federation Government is to be authorized:

—to use federal budget funds intended to subsidize interest rates on loans received by peasant (private) farms in previous years to pay compensation to peasant (private) farms buying equipment and pedigree livestock this year;

—to channel R50 billion from the appropriations envisaged in the 1995 federal budget for agro-industrial complex funding into work to extinguish forest fires.

The State Duma Committee for the Budget, Taxes, Banks, and Finances is to draft proposals regarding the relevant amendments to the Federal Law "On the 1995 Federal Budget."

[Signed] I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma

[Dated] 23 June 1995, Moscow

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Duma Passes Laws on Banking, Foreign Trade

MK0807085095 Moscow KOMMERSANT-DAILY in Russian 8 Jul 95 p 3

[Report by Boris Boyko, Vadim Bardin: "Duma Replies to President"]

[FBIS Translated Text] It took the parliamentarians under an hour in yesterday's State Duma sitting to pass three important documents, two of which were passed a second time with the president's remarks taken into account. First, the lower house clarified the question of Sberbank privatization, ruling that it can be carried out only under a special law. Second, it passed the law that was earlier rejected by the president "On Amendments and Riders to the RSFSR Law 'On Banks and Banking in the RSFSR.'" Third, it passed once again the law rejected by the president "On State Regulation of Foreign Trade Activity." The three draft laws have been forwarded for consideration of the Federation Council.

Sberbank Privatization Problem Resolved

A reminder is in order that rumors of the possible privatization of Sberbank have been actively fanned of late. The matter is that the recent law on the Central Bank prohibits it from having shares in the capital of credit organizations, and the Central Bank is supposed to withdraw its membership in some banks, including Sberbank. This leaves open the question of state guarantees that citizens' deposits will be safe and paid back when the block of Sberbank shares is transferred to the Central Bank, because the state owns more than 50 percent of Sberbank's shares. On a suggestion from State Duma budget and finance committee deputies, the question was solved simply: Article 5 of the federal law "On Amendments and Riders to the RSFSR Law 'On the Central Bank of the RSFSR (Bank of Russia)'" was expanded by a norm establishing that federally owned Sberbank shares can be transferred, and the number of voting shares that entitle the state to taking part in controlling Sberbank be decreased, only under a special law.

The law once again passed yesterday, "On Amendments and Riders to the RSFSR Law 'On Banks and Banking in the RSFSR'" incorporates a number of important presidential amendments. The more interesting amendments are concerned with regulating the participation of foreign capital in Russia's banking system. For example, whereas, according to the previous variant, the quota of foreign capital in the banking system was to be established by the State Duma on Central Bank recommendation, now it shall be established by a federal law based on a government proposal agreed with the Central Bank. Besides, the Central Bank is now supposed to agree with the government on curbs on banking operations for banks with foreign capital and for branches of foreign banks. The State Duma, however, categorically turned down one of the president's proposals on the initiative of Mikhail Zadornov, Budget and Finance Committee chairman. The president proposed that banking activity should be regulated by his own edicts in addition to the Constitution, corresponding laws, and regulatory documents. The Budget and Finance Committee thought it unnecessary and a duplication of Article 90 of the Constitution because, under the Constitution, presidential edicts should not contravene federal laws, and, as was suggested above, banking activity is regulated by the Constitution among other things. It is yet unknown whether the president is going to agree with such an argument.

Duma Nice to President, not to Ministry of Foreign Economic Relations

A repeat discussion of the law "On State Regulation of Foreign Economic Activity" (following the president's veto) ended in a compromise clearly in the president's favor. KOMMERSANT-DAILY wrote 23 June that the president did not sign the law, first, because of the Duma's effort to intervene in arms and military technology export; second, because the president heeded Vice Premier Oleg Davydov's request to uphold the Ministry of Foreign Economic Relations' [MFER] right to register contracts of strategic raw material export.

The result of the Duma discussion: the new reading of the law says that control over military export "is established by presidential edicts" (Article 13). This provision is fully in line with Article 2 describing presidential powers in the sphere of foreign economic relations. The Duma went along with this unconditionally.

As for the registration of contracts, the position of the parliamentarians is different. This procedure was simply taken out of Article 13 of the law. But this did not change its meaning a bit: "Inadmissible are different (the law does not specify which — KOMMERSANT-DAILY) methods of state regulation by way of interference and imposition of various restrictions." With persistence that can only be attributed to the desire to save face, the Duma is teasing the MFER. Compared to the possibility of imposing export and import quotas and even state monopoly on the export and import of some commodities, the registration of contracts is an innocent prank officially attributed to the interests of price and hard currency control over Russian raw material exports which are clearly dear to those who developed the law. The law came to restrict the MFER's powers further yesterday when they took out from it the provision entitling the MFER to "suspending or prohibiting concrete

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actions by Russian Federation components if they are at variance with federal policy in the field of foreign trade activity." The deputies probably deemed that this policy could be interpreted too broadly.

Regional Affairs

Further on Peace Settlement Talks in Groznyy

Volskiy Interviewed on 6 Jul Talks

LD0607183995 Moscow Russian Television Network in Russian 1600 GMT 6 Jul 95

[From the "Vesti" newscast]

[FBIS Translated Excerpt] Russia's governmental delegation arrived in Groznyy at noon today, and the third round of talks on settling the military conflict in Chechnya began at 1400 precisely. Correspondents were allowed into the room after three hours of talks.

[Begin recording] [Russian negotiator Arkadiy Volskiy] We acquainted the Chechen side with the new the Russian Government resolution adopted yesterday and in which the government agreed with the results of the first stage of talks and defines agreement on the military bloc of questions. We consider it very important that the government has approved that element guaranteeing our further work. [end recording] [passage omitted]

Today, the Chechen side handed over to the Russian command two Russian servicemen, Oleg Bochkov and Igor Gubachev, who were captured near Shali on 27 June. The Russian delegation will begin talks tomorrow with its full complement at 1000.

Chernomyrdin Quoted on Talks Progress

LD0607160995 Moscow ITAR-TASS in English 1513 GMT 6 Jul 95

[FBIS Transcribed Text] MOSCOW, July 6 (ITAR-TASS) — Talks in Chechnya aim to "prevent civil war in the Northern Caucasus and southern Russia", Russian Prime Minister Viktor Chernomyrdin said on Thursday. Chernomyrdin also said that when taking decisions on Chechnya, Russia relied and would rely on their compliance with the Russian Constitution.

Chernomyrdin spoke at the Ministry for Nationalities and Regional Policy when presenting its new chief Vyacheslav Mikhaylov.

The prime minister referred to the crisis in Chechnya, scarce supplies to remote areas in the Russian Far North and the separation of power between federal and regional authorities as "the most important (problems) in the field of Russia's national and regional policy".

"The basic principle of decision-making on Chechnya-related matters is and will be these decisions compliance with the Constitution of the Russian Federation," Chernomyrdin stressed.

Touching upon federal policy towards regions, he said that "several treaties with Russian regions are currently in preparation, and this involves not only republics but specific autonomies as well."

The premier also said that a government commission would shortly come to Russia's northernmost areas to assess the situation with supplies of goods basing on personal observations.

Vyacheslav Mikhaylov appointed minister for national and regional matters on July 5 said he did not plan to change guidelines of national policy which had been set forth by his predecessor Nikolay Yegorov. He said he would not refuse from cooperating with Yegorov because of "his vast working experience and knowledge of Russian regions."

After meeting with ministerial employees Mikhaylov left for Chechen capital Groznyy to continue talks on peace settlement. Tass learnt that Mikhaylov left for Chechnya together with presidential aide Mikhail Krasnov, also member of the Russian official delegation at Chechen talks.

Mikhaylov was appointed by decree of Russian President Boris Yeltsin to replace Nikolay Yegorov sacked together with the so-called "power ministers" on June 30.

Volskiy Denounces Basayev Threats

LD0707074195 Moscow ITAR-TASS in English 0727 GMT 7 Jul 95

[FBIS Transcribed Text] GROZNYY July 7 (ITAR-TASS) — A Russian negotiator at peace talks in Chechnya denounced threats of terrorist Shamil Basayev to use biological and radioactive weapons against Russia if peace talks in Groznyy fail, while the head of the Chechen delegation to the talks said he had heard "nothing of the kind".

Arkadiy Volskiy qualified Basayev's threats as "an attempt to blackmail the talks".

"Such a statement is detrimental for the Chechen people", he stressed.

Basayev, who headed an attack on the Russian town of Budennovsk where his militants killed over a hundred people and took over a thousand hostage, claimed in an interview with an AFP correspondent that he had radioactive substances and biological weapons.

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He threatened to spread uranium in Moscow and thus kill the city. He also promised attacks on Russian military and state objects.

Also on Thursday government spokesman Viktor Konnov qualified the threats as a "bluff".

Russians Hand Over 4 Chechen POW's

LD0707074895 Moscow ITAR-TASS in English 0718 GMT 7 Jul 95

[By Oleg Artyushin]

[FBIS Transcribed Text] GROZNYY July 7 (ITAR-TASS) — The Russian delegation at peace talks in Groznyy handed over to the Chechen party Friday four POWs who were kept on the Russian territory and exchanged complete lists of people in custody.

The handover took place in the OSCE [Organization for Security and Cooperation in Europe] mission in Groznyy and was the response for the release by Chechens Wednesday of two Russian POWS — non-commissioned officer Igor Gubachev and private Oleg Bochkov — who were captured on June 27.

After the handover the parties exchanged complete lists of POWs.

Chechen Delegation Issues Statement

LD0707105995 Moscow INTERFAX in English 0929 GMT 7 Jul 95

[FBIS Transcribed Text] GROZNYY, July 7 (INTERFAX) — The Chechen delegation to the Groznyy talks blamed Russia for violating the ceasefire agreement Friday.

According to a statement given to an INTERFAX correspondent by a member of the delegation, Akhyad Idigov, "since the first day of talks in Groznyy, the guarantee against military operations and bombarding Chechnya's territory given by Chernomyrdin's government has been violated."

The document stipulates that "Russian politicians and their troops continue repressions and military operations against the Chechen people."

"The agreement reached on the main package of military issues thanks to the efforts of the delegation with cooperation by the OSCE [Organization for Security and Cooperation in Europe] mission — disarmament of militants, exchange of prisoners of war, separation of troops and pull-out from Chechnya — is delayed by Russia's fault," according to the statement.

"Without changing its ethnic policy, Russia will not be able to influence the situation in Chechnya," the document concluded.

Joint Statement Issued 8 Jul

LD0807181895 Moscow ITAR-TASS in English 1806 GMT 8 Jul 95

[By Sergey Trofimov and Oleg Artyushin]

[FBIS Transcribed Text] GROZNYY, July 8 (ITAR-TASS) — In order to stabilise the situation in Chechnya it is necessary to achieve a peaceful settlement with Moscow and hold free elections at all levels of power in the republic, a joint communique adopted by the Russian and Chechen negotiators in Groznyy on Saturday said.

Today's talks focused on political ways to resolve the conflict. The delegations stressed the need to "create a favourable climate, carry out the military decisions and set up republican, district and local electoral commissions," Deputy Chairman of Chechnya's Committee for National Reconciliation Lecha Magomadov said.

The delegations to the talks agreed that all residents of the republic, including those who have fled to other regions, should have equal opportunities in the upcoming elections.

They also said it was necessary to provide "equal conditions for the participation in the elections of all public associations which do not advocate war, violence or ethnic hatred."

Elections to the supreme legislative and executive bodies of power and local councils will be held simultaneously — the date has yet to be determined — and monitored by independent observers.

The sides renounced the use of force and agreed to resolve all disputes by peaceful means. They also condemned vengeance and ethnic hatred, and pledged that those involved in the armed conflict in Chechnya will not be persecuted.

Magomadov said in particular that "the President of Russia has expressed his readiness to sign a decree guaranteeing participants in the armed conflict in the Chechen republic that they will not be persecuted."

In addition, a special commission for reconciliation will be set up to handle a wide range of issues, including various offenses. Its decisions concerning crimes will be final and binding.

Executive bodies of power will be formed in such a way that would reflect the ethnic makeup of the republic. Ethnic Russians and other ethnic groups will be allowed

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to participate in the work of the executive bodies of power in Chechnya, the communique said.

Before the elections, the present provisional bodies of executive power will be renewed on an agreed person-by-person basis, Magomadov said.

Talks on the settlement in Chechnya will continue on Sunday.

National Revival Leader on Talks

LD0807163895 Moscow INTERFAX in English 1438 GMT 8 Jul 95

[FBIS Transcribed Text] GROZNYY, July 8 (INTERFAX) — "In Groznyy participants of the negotiations have taken upon themselves functions and problems which are not related to them anyway," declared representative of Chechnya's National Revival government headed by Salambek Khadzhiyev.

Speaking at an improvised press conference in Groznyy Saturday, Yavus Akhmadov, who heads the Information and Press Committee in Khadzhiyev's government, pointed out that Chechnya's present leadership "does not understand which party has won in this war and which one has lost."

"Is it their (participants of the negotiations) task to discuss the issue about political system in Chechnya? Legal power bodies and the people should solve these problems but not representatives of bandit formations, on the one hand, and representatives of the Russian Federation, on the other hand," Akhmadov declared.

"It appears that participants of the negotiations determine what decrees the Russian president may adopt and may not adopt with respect to the Chechen republic."

"Imayev's protest impels Volskiy (deputy leader of the federal delegation) to rush to Moscow for consultations to Yeltsin," Akhmadov said.

He underlined that "only a free will of the people" can determine Chechnya's future political system.

Akhmadov also declared that Dudayev's fighters, as well as the Russian forces, are guilty of destructions inflicted in the course of the combat operations on Chechnya's territory. He cited Salambek Khadzhiyev's statement that "both the Russian forces and Dudayev's fighters should leave Chechnya's territory."

At the same time Akhmadov accused journalists of lack of adherence to principles. In his words, "there has been nowhere else such an unscrupulous attitude of journalists to events' covering as in this conflict."

"Unfortunately, I would name the whole Chechen tragedy as journalists' tragedy and defeat," he said.

Volskiy Cited on 9 Jul Talks Agenda

LD0907100795 Moscow ITAR-TASS in English 0904 GMT 9 Jul 95

[By Oleg Artyushin and Sergei Trofimov]

[FBIS Transcribed Text] GROZNYY, July 9 (ITAR-TASS) — The Groznyy talks are proceeding today amid a security alert.

All approaches to the Groznyy mission of the Organisation for Security and Cooperation in Europe [OSCE], the venue of the talks, are sealed off by three lines of truck and armour cordons.

The talks are guarded by Chechen police and Russian interior troops. Two armoured personnel carriers stand in front of the OSCE office.

ITAR-TASS was told by a spokesman for the Russian Interior Ministry that security was beefed up to avert rallies at the site of the talks and general destabilisation in Groznyy.

Nonetheless, the guarding force is not interfering with a small rally of women, who are chanting slogans near the first cordon line.

Arkadiy Volskiy, a member of the Russian delegation to the talks, told reporters that the negotiators would continue debate on political issues, the centerpiece being the constitutional status of Chechnya within Russia, and on Chechnya's economy.

The status issue should be handled after Chechnya's elections which "will reflect the mood in the republic", Volskiy said.

The Chechen delegation insists on recognition of the present status of Chechnya.

The Russians are pressing for a different wording — "a future status of the republic".

This makes the main snag at the current round, Volskiy said.

Volskiy said he thought the Russian delegation could not accept the status phraseology proposed by the Dudayev delegation.

The economic agenda is ready for discussion, Volskiy said. Another issue which needs settlement today is the status of the Russian president's mission in Chechnya.

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Chechnya Status Seen as Main Obstacle

LD0907094595 Moscow Radiostantsiya Ekho Moskvy in Russian 0800 GMT 9 Jul 95

[FBIS Translated Text] Talks on the settlement in Chechnya resumed in Groznyy at 1000 [0600 GMT] this morning.

The main political issue is being discussed today — the status of the Chechen Republic. It seems that the hope of Vyacheslav Mikhaylov, head of the Russian delegation, that the Chechens will not be tough insisting on sovereignty will not come true. Before the beginning of today's talks Usman Imayev, head of the Chechen delegation, told journalists he was sticking to his previous positions — the demand of the republic's full sovereignty. Imayev recalled that the issue of Chechnya's independence was resolved back in the autumn of 1991. However, the prosecutor general added, let's see what the Russian delegation has to offer.

The Moscow representatives came to the OSCE mission where the talks are being held a little later and also spoke on the problem of sovereignty. Vyacheslav Mikhaylov, in particular, said the Russian delegation was approaching the issue of Chechnya's independence from the position of the Russian Constitution and there could be no concessions.

Mikhail Krasnov, however, aide to the Russian president, has a rather different point of view. He said in an interview with Moscow Echo that he had brought some compromise proposals with him, though he did not disclose them. At the same time he gave to understand that he hoped for success.

Also today, the Chechen delegation handed over to the Russian side three prisoners. These were soldiers from the 81st Samara regiment who were taken prisoner in Groznyy on New Year's Eve. The soldiers themselves, however, said they would return home only after firm guarantees by Russia that they would not be persecuted for being in captivity.

Arkadiy Volskiy thinks the issue of Chechnya's status should be decided after the elections. Meanwhile the Chechen delegation is insisting on the recognition of the present status. According to Volskiy, the Russian side proposes a different wording: "the future status of the republic." This, in Volskiy's words, is the main disagreement at present. He thinks that the Russian side cannot agree to the wording proposed by Dudayev's side.

Apart from the status of Chechnya, according to the member of the Russian delegation, it will be necessary to resolve today the issue of the Russian president's representative in the Chechen Republic.

Meanwhile the situation around the OSCE building where the talks are being held is becoming more tense every day. Numerous rallies by Dudayev's supporters continue. Moreover, those who are taking part in them are mainly women. Federal troops have been involved in guarding the OSCE building for the first time today. According to our correspondent, this has been done on instructions from the mayor of Groznyy who is not satisfied with the militia actions regarding pro-Dudayev's rallies. In his words, the militia actions are not tough enough. Our correspondent reports that the mayor is prepared to use force against the demonstrators.

Here is the last peace of information we have received from our correspondent Vladimir Varfolomeyev in Chechnya. Usman Imayev has said that, if Russia recognizes the sovereignty of the Chechen Republic, the talks will end in half an hour.

Chechen Leaders Propose Compromise

LD0907163995 Moscow INTERFAX in English 1534 GMT 9 Jul 95

[FBIS Transcribed Text] GROZNYY, July 9 (INTERFAX) — The government of the national revival and the committee for national accord in Chechnya have spoken in favor of "attracting to the committee, and, if need be, to the government sober-minded representatives of volunteers and people of commonsense from the Dudayev entourage." This is said in the statement of committee chairman Umar Avturkhanov and prime minister Salambek Khadzhiyev, which was made public on Sunday.

The document says that this step is "a possible compromise" and it is proposed "proceeding from the interests of the peoples of the Chechen Republic, its territorial integrity and the interests of the Russian Federation, to prevent extremist elements from coming to power".

The statement says that "the only goal the government of the national revival and the committee of national accord put before themselves is the creation of conditions to reach peace and accord destroyed by the Dudayev extremists in 1991, the holding of free democratic elections."

"Being aware that only the resignation of Dudayev and his government may bring Chechnya to peaceful life," say Avturkhanov and Khadzhiyev, "we have agreed to any reasonable compromises, including our resignation." "Regrettably," says the document, "we have not received an answer to our sincere and unambiguous proposals, and according to deputy chief negotiator from the federal authorities Arkadiy Volskiy, who met with Dzhokhar Dudayev on the issue, there was no concrete and serious conversation." This indicates that important

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for Dudayev and his entourage are only their power, ambitions and benefits, not the life and aspirations of the Chechen people," said Avturkhanov and Khadzhiyev.

Chechen Status Proposal Described

LD0907163795 Moscow Radio Rossii Network in Russian 1600 GMT 9 Jul 95

[FBIS Translated Text] Mikhail Krasnov, assistant to the president on legal matters, explained in an interview to our correspondent the essence of a compromise proposal on Chechnya's status put forward by the Russian side. He said the Russian delegation suggested the discussion of the issue should be postponed until after the elections in Chechnya. The presidential assistant said the Chechen side had so far been taking a tougher stand, which was, however, undergoing some changes in the course of the negotiations.

Talks Focus on Elections, Status

LD0907165695 Moscow ITAR-TASS in English 1630 GMT 9 Jul 95

[By Oleg Artyushin and Sergey Trofimov]

[FBIS Transcribed Text] GROZNYY, July 9 (ITAR-TASS) — "There will be no joint communique today," Isman Umayev who heads the Chechen delegation to the talks with Russia told journalists in Groz n y on Sunday.

Imayev said the delegations did not discuss candidates to the coalition government at their meeting today. At the same time, he confirmed that they did raise and discuss the question of Chechnya's sovereignty. However, he did not elaborate.

Imayev also told journalists that a statement on the results of today's talks will be made by a representative of the mission of the Organisation for Security and Cooperation in Europe (OSCE) in Chechnya.

However, Vyacheslav Mikhaylov, head of the Russian delegation, turned out to be more talkative. He said the talks focused on elections in Chechnya and its status. The sides spelled out their understanding of the phrase "the status of the republic."

"Today, we will study these interpretations together with the experts so that we could reach some common opinion tomorrow," he said.

Other issues are connected with the creation of conditions necessary for the organisation and conduct of elections in Chechnya, Mikhaylov said, adding that the sides' positions on these converged in many cases.

His deputy Arkadiy Volskiy described the talks as a "good road in the right direction." He said Imayev who left the OSCE headquarters earlier in the day will be back after consultation.

"We will have to work till night today," Volskiy said, adding that the sides discussed military issues and reached good progress.

Commenting on media reports about a release of Russian servicemen charged with murdering Chechen civilians in Groznyy, Volskiy termed them a "fantasy." At the same time, he warned against anticipating the results of the investigation, adding that "we may get some results concerning the murder tomorrow."

The talks will resume on Monday.

Three Russian Servicemen Handed Over

LD0907083295 Moscow ITAR-TASS World Service in Russian 0702 GMT 9 Jul 95

[By ITAR-TASS correspondents Oleg Artyushin and Sergey Trofimov]

[FBIS Translated Text] Groznyy, 9 Jul (ITAR-TASS) — Aslan Maskhadov, the head of staff of the Dudayev forces, this morning handed over to the Russian Government delegation three federal servicemen captured in Groznyy on the night of 31 December 1994 to 1 January 1995. They are Pavel Osipenko from the Komi Republic, Aleksandr Fedotov from Tyumen Region, and Yevgeniy Bulgakov from Novosibirsk region. The prisoners were handed over at the talks on a peaceful settlement of the conflict in the Chechen Republic, which are currently taking place in Groznyy.

Expulsion of Chechens Condemned

LD1007110295 Moscow ITAR-TASS World Service in Russian 1010 GMT 10 Jul 95

[By ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 10 Jul (ITAR-TASS) — The delegations at the talks on a peaceful settlement of the situation in the Chechen Republic have condemned incidents in which ethnic Chechens have been expelled from some Russian regions. The government information directorate reported today that they have adopted a statement describing persecution based on ethnic origin as a most flagrant violation of human rights. The statement says that Russian citizens of Chechen origin are continuing to arrive in Chechnya after being forced to leave their places of permanent residence in Stavropol Territory, Rostov Region, and some other areas of the Russian Federation.

The delegations at the talks believe that mass violations of the rights of ethnic Chechen citizens of the Russian

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Federation do not contribute to the settlement of the crisis. They have demanded that the federal authorities take urgent measures to prevent incidents of this kind.

Russian Troops Reportedly Kill Chechen Farmers

LD0707095795 Moscow ITAR-TASS in English 0926 GMT 7 Jul 95

[By Oleg Artyushin and Sergey Trofimov]

[FBIS Transcribed Text] GROZNYY July 7 (ITAR-TASS) — A group of armed men dressed in Russian military uniform attacked a Chechen state farm near the Severnyy airport of Groznyy overnight, killed two and wounded three of its employees and looted the farm called "Rodina" (Motherland).

Chechen representatives accused Russian troops of the attack and said four suspects had been detained and had already confessed to the crime.

However, Russian Interior minister Anatoliy Kulikov told TASS Friday a special commission was set up to investigate the attack.

A spokesman of the Chechen information ministry told reporters the identification card of a Russian servicemen was found at the site of the incident.

"Those arrested confessed to committing the crime", he said adding that the soldiers are being kept in a district police precinct in Groznyy.

The spokesman invited reporters to visit the site of the attack and meet the suspects.

Murders 'Provocation' To Derail Talks

LD0707163795 Moscow INTERFAX in English 1538 GMT 7 Jul 95

[FBIS Transcribed Text] MOSCOW, July 7 (INTERFAX) — A high-ranking official of the Russian government said the murder of seven residents of the collective farm No. 3 near Groznyy last night was a provocation aimed at wrecking the peace talks in Chechnya.

According to witnesses, the seven Chechen residents, including children and a 80-year-old man, were killed last night by unknown persons allegedly dressed in Russian military uniform.

The Russian Government official told journalists today that he regretted the statement of Chechen chief negotiator for talks with Russia, Usman Imayev, who said the talks would be suspended because of the Chechens' murder.

The official said the Russian leadership was still in favor of continuing the talks and expected that the talks would be successfully completed in the near future "despite provocations launched by those who want to wreck the peace talks in Chechnya."

Moscow Denies Army Involved

LD0907162995 Moscow ITAR-TASS in English 1557 GMT 9 Jul 95

[FBIS Transcribed Text] MOSCOW, July 9 (ITAR-TASS) — The Russian Defence Ministry denied on Sunday its troops were involved in an armed attack in the Rodina state farm in Chechnya that left two civilians killed and three injured.

Ministry spokesman told ITAR-TASS that "there is convincing evidence that four servicemen who were accused by the local police of involvement in this crime did not commit it because they were in a different place."

On Friday, a spokesman for Dudayev-controlled Ministry of the Press and Information in Groznyy told journalists that four Russian servicemen had been detained on charges of murder and put in one of the police stations in the city. He also claimed that the arrested servicemen "confessed their crime."

In this connection, the Russian Defence Ministry spokesman stressed that the "confession was beaten out of the servicemen by the local police," adding that the charges brought against them are "misinformation aimed at discrediting federal armed forces and disrupting the talks on a peaceful settlement of the conflict."

At the same time, Vladimir Zorin, deputy head of the Russian territorial administration in Chechnya, told ITAR-TASS today that "the investigation of the killings in the Rodina state farm and the village of Prigorodnyy continues and its details should not be disclosed in the interests of the investigation."

Russian Troops Reportedly Murder Family

LD0707221195 Moscow NTV in Russian 1800 GMT 7 Jul 95

[Video report from Groznyy by Andrey Cherkasov, including recorded remarks by Usman Imayev and Aslan Maskhadov, members of the Chechen delegation to the peace talks, and Arkadiy Volskiy, member of the Russian delegation]

[FBIS Translated Excerpt] Usman Imayev arrived at the talks early in the morning and, as we suggested, explained his absence [from the talks on 7 July] by saying that he simply could not get to Groznyy because of uninterrupted Russian artillery shelling of the mountain area.

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[Imayev] There was bombing, complete bombing, using aircraft, although they try to deny it, but it was over my head, 500 kg bombs.

[Cherkasov] In what area?

[Imayev] In the area of Kharsenoy [south of Groznyy], six airplanes — three pairs, Su-27's.

[Cherkasov] [passage omitted] The Moscow delegation began the morning meeting with a protest at Shamil Basayev's threat yesterday to carry out fresh acts of sabotage in Russia. It seemed that the commanders at the talks had forgotten about him but he gave them a reminder. The delegation could do nothing but condemn him again and demand that the opposing side hand him over. If Basayev did go to Pakistan, it now seems that he has returned to his homeland. The Chechens' reply to Russia's demand was as before. However, they quickly tried to explain Basayev's harsh words as a natural reaction to Yeltsin's latest decree on troops in the republic.

[Maskhadov] An unthought-out policy leads to this. They issue some decrees prematurely, you understand, and need to be very careful.

[Cherkasov] Nevertheless, at noon both sides were impatiently waiting for a fax from Moscow with the new decree, already clarified and with additions.

From early morning rumors of something bad happening in the town were flying around. A woman came up to our group and told us about the murder this morning of a family in a suburban district of Groznyy. What we saw when we arrived defies description. [Video shows the bloodstained bodies of the victims lying in their home]

The family of machine operator Chupayev had been shot point-blank from a Kalashnikov-545. No one was spared, neither the grandfather, nor the father, nor the sons, nor the three-year-old girl who did not wake up this morning.

Local residents say that they saw an APC driving up in the morning, and that after 15 minutes Russian military in black ran from the village, leapt into the vehicle and got away. We can neither confirm nor deny this information. But other murders are known to have taken place last night in other districts and federal units are indeed guilty of some of them. In the morning no one could have expected that this murder would have such an effect, although whoever arranged it may have precisely been hoping for this.

In the day a convoy of residents, carrying the bodies, moved towards the OSCE mission. It was stopped in the town center, not far from the presidential palace. Troops sealed off the area and the situation worsened.

[Video shows crowds surrounding bodies laid out on a truck] The Russian delegation arriving with the local authorities in the person of Salambek Khadzhiyev had difficulty getting through the crowd. They were not allowed to speak.

[Volskiy, speaking to journalists in the middle of the crowd] I am certain that it is a provocation. Another question is whose side, peace in Chechnya does not suit someone, it doesn't suit someone, you understand.

[Cherkasov] Soon hearing about what was going on, the Chechen delegation came out of the OSCE mission. Trying to calm people, Imayev also called on people not to disperse but to form a living corridor throughout the town for the representatives of international organizations. [Video shows Imayev holding up the body of the three-year-old before the crowd]

Whoever wanted to interrupt today's talks has succeeded. Imayev has said that the talks will not resume until the guilty have been publicly punished.

A few meters from the militia cordon alongside the mission the local Interior Ministry opened fire on the head of the convoy, wounding a man and an 11-year-old boy. It is impossible to stop the human pressure just as it is impossible to stop the growing anguish and increasing hatred. At the OSCE mission the crowd nearly tore to pieces Abdullubugayev, Khadzhiyev's deputy, who represents the opposition at the talks. Dudayev's guards had difficulty fighting off his assailants. [passage omitted: Cherkasov says the talks will not resume on 7 July but may resume on 8 or 9 July]

Delegations Issue Statement on Killings

LD0707164495 Moscow ITAR-TASS World Service in Russian 1605 GMT 7 Jul 95

[FBIS Translated Text] Groznyy, 7 July (ITAR-TASS) — The press center of the joint command of the federal troops in Chechnya has today published a joint statement by the participants in the talks on a peaceful settlement of the crisis in the Chechen Republic. The document says the following:

"An act of vandalism was committed in the village of Prigorodnoye this morning, when a family was knifed to death. Eight people died, including four children, and one was seriously wounded. Another family in Groznyy was shot to death during the night of Thursday to Friday.

The participants in the talks express their deep condolences to the relatives and close friends of those killed and are mourning together with them.

The delegations, together with the command of the federal troops, have taken urgent measures to investigate

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these crimes. A joint investigative team has been set up that has begun work.

Evil will not escape punishment and the persons involved in the crimes will answer fully for them.

The delegations think that these barbaric acts were undertaken by forces that are trying to disrupt the talks on a peace settlement of the crisis in the Chechen Republic.

Provocations, no matter who they come from, are doomed to failure. The talks will continue and peace will descend on the Chechen soil."

The text was signed by all the members of both delegations who were present at the talks at the OSCE headquarters in Groznyy today.

Demonstrators Attack Russian Soldiers

LD0807152895 Moscow ITAR-TASS in English 1512 GMT 8 Jul 95

[By Sergey Trofimov and Oleg Artyushin]

[FBIS Transcribed Text] GROZNYY, July 8 (ITAR-TASS) — A group of Chechen demonstrators attacked one of the posts of Russian troops in the outskirts of Groznyy on Saturday as they marched to a village outside the city to attend the funeral of a Chechen family killed on Friday.

The incident occurred when the procession was leaving Groznyy on its way from the headquarters of the Organisation for Security and Cooperation in Europe (OSCE) to the village of Prigorodnyy where the funeral was supposed to take place. They threw stones and bottles at the soldiers, forcing them to run away.

No casualties were immediately reported.

Representatives of the Russian military command in Chechnya and security guards of Chechen separatist leader Dzhokhar Dudayev's delegation to the talks with Russia urgently went to the scene of the incident.

Later in the day, after the funeral, the demonstrators returned to the OSCE headquarters in Groznyy to hold a new rally.

Russian Positions Shelled Six Times in Chechnya

LD1007134395 Moscow ITAR-TASS in English 1314 GMT 10 Jul 95

[By Sergey Ostanin]

[FBIS Transcribed Text] MOSCOW, July 10 (ITAR-TASS) — Russian Armed Forces positions in Chechnya were shelled six times during the past 24 hours, wounding one soldier, ITAR-TASS learned from the Information and Press Department of the Russian Defence Ministry today.

According to military assessment, the most complicated situation prevails in the settlements of Vedeno and Shatoi (south Chechnya). Illegal armed formations are ignoring the moratorium on carrying out any combat actions here.

The information and press department of the Defence Ministry noted that the militants carried out their large-scale attack on federal forces during the past 24 hours on the settlement of Maitrup (40 kilometres east of Groznyy). As a result of retaliatory fire the attackers were dispersed.

15,000 Federal Troops May Be Based in Chechnya

LD0707135895 Moscow INTERFAX in English 1255 GMT 7 Jul 95

[FBIS Transcribed Text] MOSCOW, July 7 (INTERFAX) — President Yeltsin's decree on stationing federal troops in Chechnya on a permanent basis, which was signed on Tuesday, "will evidently be expanded," a well-informed source in the Kremlin told Interfax.

According to him, in addition to army units, Interior Ministry and Border Service troops are to be stationed in Chechnya permanently.

The source believes that about 15,000 servicemen are expected to be deployed in Chechnya.

According to him, the core of these forces will be two brigades — a motorized infantry brigade and a brigade of Interior Ministry troops. There are plans to reestablish in Chechnya 11 commissariats and the commandant's office of the special Caucasus Border District.

In the near future the president is expected to sign another decree to approve the quantity and composition of the military contingent to be stationed in Chechnya, the well-informed source said.

Shirokov Takes Over as Commander in Chechnya

LD0707083695 Moscow ITAR-TASS in English 0802 GMT 7 Jul 95

[By Oleg Artyushin and Sergey Trofimov]

[FBIS Transcribed Text] GROZNYY July 7 (ITAR-TASS) — Russian military commander in Chechnya Anatoliy Kulikov, who has been appointed Russian Interior Minister, left Groznyy for Moscow Friday to occupy his new post.

He was replaced by Lieutenant General Anatoliy Shirokov who had been in command of Interior forces in Chechnya until now.

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Shirokov is acting commander of the Russian troops in Chechnya so far.

Bulgakov Interviewed, Questions 'Concessions'

MM0707143895 Moscow KRASNAYA ZVEZDA in Russian 7 Jul 95 pp 1,3

[Interview with Major General Vladimir Bulgakov, commander of the group of Russian Defense Ministry forces in Chechnya, by KRASNAYA ZVEZDA's Colonel Aleksandr Andryushkov and VOYENNIY VESTNIK YUGA ROSSII's Lieutenant Colonel Sergey Pryganov followed by report by ITAR-TASS correspondent Sergey Trofimov; date, place not given: "Major General Vladimir Bulgakov: Dudayev's Guerrillas and Afghan Mujahidin Evidently Had Same Teacher" — first six paragraphs are introduction; last two paragraphs are Trofimov report]

[FBIS Translated Text] When Major General Vladimir Bulgakov was appointed deputy commander of a large strategic formation in the North Caucasus Military District for combat training he failed to turn up at headquarters and immediately found himself involved in the Chechnya war. He became commander of the group of Russian Federation Defense Ministry forces in Chechnya. He was introduced to personnel on the "front line." Soon Vladimir Vasilyevich's face was familiar to all unit and subunit commanders. Word of the fighting general who did not cringe in the face of bullets and considered it his prime task to save his subordinates from death soon reached every individual fortified position.

Vladimir Vasilyevich certainly did not cringe before Dudayev's suicide squads, but he did not just kick out wildly. Tearing about the bumpy, beat-up roads of the front-line area in an armored infantry fighting vehicle or a tank, he studied the situation thoroughly and did not just try to avoid unexpected situations but tried to predict them in advance and guess the plans of an enemy whom he treated with all seriousness. Gen. Bulgakov personally worked out the most original moves in terms of design and execution. Before giving the order to carry them out, he consulted regiment commanders and asked them to ensure that each soldier was clearly aware of his maneuvers. He gave particular priority to the ever-painful problem of cooperation between ground forces and the air force.

A great deal has been said in KRASNAYA ZVEZDA and the other mass media about how Dudayevite mountaintop gun emplacements were overwhelmed and many population centers rapidly liberated (it was, incidentally, thanks to this that they avoided the fate suffered by ravaged Groznyy) by using "goat" tracks, flanking maneuvers, and unexpected air assaults on the enemy rear. But few people know how following these operations, Gen. Bulgakov consolidated his renown as a wise military commander, who combines audacious risk-taking with careful composure and has proved that the Russian Army has not forgotten Suvorov's art of conquering an enemy with minor bloodshed.

During the talks in Groznyy, I have had frequent meetings and long talks with some of Dudayev's field commanders who came to the city as guards for Imayaev and Maskhadov. One of them even said to me: "I think that Bulgakov has even gotten General Yermolov's operations maps out of the archive...." I told Vladimir Vasilyevich about this: "I consider that a honor. Let me say one thing: Were it not for the political games being played by the 'Duma scribes' we would have long since restored order in the Chechen Republic — and not necessarily by military means."

Bulgakov is aware of what he is saying. Envoys from Chechen villages come to see the fighting general rather than to see the politicians and are trying to reach agreement on peace and on how to avoid further bloodshed. Both sides often find mutual understanding. The price is people's lives — those of Russian soldiers, disappointed Dudayev guerrillas, and civilians. Another point is this: Vladimir Vasilyevich knows that they all want to go home, like the general himself. That depends in many respects on him, the commanding officer. That is very obvious from the exclusive interview which Major Gen. Bulgakov gave to KRASNAYA ZVEZDA.

[KRASNAYA ZVEZDA] Comrade Commander, the interim moratorium on combat operations in Chechnya is continuing, nevertheless skirmishes are taking place and Russian soldiers are dying.

[Bulgakov] Regrettably, the Chechen side is failing to observe the accord. Our troops in Chechnya are being bombarded 10-12 times a day during the moratorium by illegal armed formations. Particularly in the Kurchaloy-Avtury sector, where a motorized rifle regiment and an individual tank battalion are stationed and we are sustaining real losses. They are given in our reports. And if you bear in mind that Dudayev's supporters are now regrouping their forces, restoring command and control, and swelling their material reserves, complete peace in Chechnya is still a long way off.

[KRASNAYA ZVEZDA] What tasks is the grouping of Defense Ministry forces performing today?

[Bulgakov] At present we have reached certain points after routing the Shatoy and Vedeno groups of illegal armed formations, consolidated our positions there, and cleared all the roads in the vicinity of mines. We are now

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clearing the area of explosive devices, and naturally we are conducting reconnaissance.

[KRASNAYA ZVEZDA] Vladimir Vasilyevich, what are the guerrillas' tactics now?

[Bulgakov] The guerrillas are operating in small groups, organizing ambushes, and mining the roads. Incidentally, Dudayev's followers are now very energetically mining roads. Dudayev defined this tactic as "hit and run." The Chechen guerrillas' actions are very reminiscent of the actions taken by the mujahidin who opposed our troops in Afghanistan. I am very familiar with these tactics. In the past, "across the river" [in Afghanistan], I was an adviser to the commander of an Afghan division, and I have experience of mountain warfare. Evidently Dudayev's followers and the mujahidin had the same teachers.

[KRASNAYA ZVEZDA] What can you tell us about the prospects of the Chechnya conflict's being resolved during the peace talks under way in Groznyy?

[Bulgakov] Right now I compare these talks to a balance which is increasingly rocking from side to side. We still do not know which way it will tip. In my view, we are not taking full advantage of the terrorism that occurred in Budennovsk. We are for some reason making concessions, forgetting the losses that the troops have sustained in Chechnya and civilians in Budennovsk. It is still hard to tell which side the scales will come down on during the talks. [Bulgakov ends]

In the Last Hour

Groznyy, 6 Jul — Dudayev's illegal armed formations carried on bombarding federal troop positions in Chechnya tonight, your ITAR-TASS correspondent was told by the press center of the combined command of the federal troops in Groznyy. Fire was returned in 13 out of 17 cases and artillery was used on two of those occasions. The air force was not used to rebuff the guerrilla attack. During last night fortified positions and various establishments and economic facilities were shelled in Groznyy.

The guerrillas' activity confirmed once again that they are violating the declared moratorium on combat operations, the report from the press center of the combined command of the federal troops in Chechnya said.

Dudayev Security Forces Said Still Active

MM0707122595 Moscow IZVESTIYA in Russian 7 Jul 95 p 7

[Article by Aleksey Chelnokov: "What Are Chechen Special Service's Strengths?"]

[FBIS Translated Text] It is already clear that the Basayev gunmen who turned up in Budennovsk were not acting at random. This is shown if only by the striking level of information which the terrorists displayed in unerringly destroying the police, Cossack headquarters, and city administration buildings. There is no doubt that the Chechen special services also took part in planning this terrorist operation. Their activities were described in a recent speech by A. Volskiy, who stated that people in Chechnya knew about the presidential edict days before the government commission at the talks did.

IZVESTIYA's editorial office has obtained a flow-chart diagram of the structure of the Chechen State Security Department. Dudayev has added his own handwritten corrections to it. Basically, the State Security Department is divided into five areas — the intelligence and counterintelligence departments, the internal security service, the presidential security service, and regional State Security Department directorates. Total personnel, according to the calculations of the flowchart's compiler — former state security chief S. Khasimikov — came to 123.

Dudayev halved the number of operational agents in the foreign intelligence and counterintelligence departments, but ordered a 30-man "'Turnal' operational combat detachment" to be set up to "provide security for top officials." In all there were to be 161 staff members of the State Security Department, including technical personnel.

One of the main criteria for the selection of agents, another secret Chechen special service document points out, is "clan affiliation through the maternal and paternal lines." The agents' duties include, in particular, "knowledge of all kinds of explosives, including those used for ordinary purposes, the symptoms caused by toxins and poisons, and their possible methods of use."

After Khasimikov was replaced as state security chief by S. Geliskhanov, there were no major changes to its structure or the size of the staff. Four branches were set up in the counterintelligence department — monitoring of foreigners, "protection of the economy," "transport and communications security," and "protection of the constitutional system." Regional State Security Department branches were also subordinate to this department.

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The Chechen special service's professionalism is eloquently shown by the fact that the special counterintelligence unit had just four members of the 200 total staff. The secret report "On the Work of the Chechen Republic of Ichkeria State Security Department in the Period September 1993 Through August 1994" points out that during this period investigations had "retrieved losses totaling 340 million rubles, 240 tonnes of sugar, and 12,000 motor vehicle tires." Moreover, "11 cases of sabotage were prevented and six sabotage attempts were foiled." Of course, there was no mention of the confiscation of weapons.

The fact that armed conflict between Russia and Chechnya was inevitable had become obvious to Dudayev and his special services by last summer. Lieutenant Colonel Geliskhanov, head of the State Security Department, was appointed commander of the Chechen Republic of Ichkeria. His status had increased so much that he had the right to give orders to the minister of internal affairs and the chief of the Chechen Armed Forces General Staff.

Information on the "probable enemy" was to have been supplied to Dudayev by the foreign intelligence department. As the aforementioned secret report indicates, during that year alone the department had received and "analytically processed" more than 600 operational reports, specifically about the disposition of federal forces. This is despite the fact, as Geliskhanov admits, that "recruitment for the department was not carried out owing to the lack of good-quality physical material." Most intelligence information was obtained from agent sources.

Returning to the Budennovsk tragedy, Dudayev — despite having failed to create a professional special service — won the first round of the fighting on the invisible front. The Russian Federal Security Service [FSB] proved unable to locate State Security Department agents, of whom, clearly, there were (and are) a lot both among representatives of the authorities and among the Chechen diaspora. Even more striking was the fact that the FSB had no accurate information on the large-scale act of terrorism in preparation in which hundreds of gunmen were involved.

In his report the chief of the State Security Department states that "long-range intelligence-gathering against enemy installations has so far proved impossible as a result of the lack of qualified personnel for the purpose and of financial and technical means." What did "long-range intelligence-gathering" mean to Geliskhanov — 100 or 1,000 km? It turned out to be anything further than 200-300 km from the Chechen border. On territory located closer in than this, the State Security Department had everything "covered" — or, to quote: "...intelligence-gathering has been conducted at an adequate level."

If we spread out a map we can see that the Chechen special services' operating area included Nalchik, Pyatigorsk, and Mineralnyye Vody — and, of course, Budennovsk.

Russian Reporters Suspected of Spying for FSB

MM1007152695 Moscow IZVESTIYA in Russian 8 Jul 95 p 2

[Report by Igor Rotar: "Spy-Mania Becoming Obsession for Dudayev Gunmen"]

[FBIS Translated Text] Groznyy — Back in the winter, journalists worked quite freely on territory that was not under federal control. The correspondents were amazed by the nobility of the gunmen — the Dudayev supporters used their own bodies to protect Russian journalists from Russian shells.

"When the Soviet tanks went into Czechoslovakia, people threw Russians out of waiting lines and spat in their faces. But the Chechens are an amazing people — they hold no grudge against ordinary Russian people," a Czech journalist told me in Groznyy in December while we were sheltering together in a cellar during a Russian air raid.

The situation has now changed radically. The other side now often hate journalists and they face real dangers as "spies of the Federal Security Service [FSB]."

Among journalists today the Chechen village of Bamut is the most notorious. IZVESTIYA has already reported from the village. At the time the gunmen — although suspecting me of being an FSB spy — gave me lunch and, having granted me an interview, sent me back by truck. Unfortunately, I was unlucky — a couple of hours later the car in which the commander of the Western Group of Chechnya-Ichkeria Troops (the Dudayev gunmen deployed in the Bamut area) was traveling was ambushed. Shirvani Albakov, commander of the Bamut gunmen, was killed.

"We met the Bamut gunmen in a village under federal control," Mariya Eysmont, a correspondent for the SEGODNYA newspaper, told me. "The guys categorically refused to take us with them to Bamut. 'You're all FSB. Our commander was killed after the IZVESTIYA correspondent was here,' the gunmen shouted. I realized that it would be better for journalists to avoid Bamut."

A few days after this conversation an Independent Television film crew was arrested — the journalists miraculously managed to escape. Such stories did not

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gladden me — the fact was that, knowing that my conscience was clear, I had left the gunmen my home address. I was sincerely angry about the gunmen's stupidity. People are being killed in Bamut every day, and it is simply absurd to suspect that this is the fault of journalists.

Unfortunately, life turned out to be far more complex. The gunmen were given cause to have these suspicions by some of our colleagues. It is terrible to look upon one Moscow magazine correspondent — his face is covered with scars and bruises, he has a strange tic when he speaks, and you get the impression that this young man (who looks just out of his teens) is unlikely to ever get over his experience. He set off for Bamut 30 June. On the way he overnighted in Achkhoy-Martan.

"FSB agents wanted to meet with me there," he said. "A major spoke to me and asked me to collect information in Bamut. He said I'd be given a lot of money when I got back. I promised not to say how much."

Basically he was unlucky — he was arrested straightaway.

"I started to say that I was a journalist, but they did not believe me," he continued. "'Federal Counterintelligence Service Colonel Rotar has already destroyed all our command,' the gunmen shouted at me. I was beaten savagely. Six times they took me out to be shot, forced me to dig my own grave, and then fired over my head. Every morning started with my back being beaten 20 times with a stick. I managed to escape on the sixth day. I can't believe I managed to get away."

"Don't you think that the gunmen were sort of right — after all, you really weren't just a journalist, were you?" I asked.

"I was a journalist first and only later an intelligence agent," my interlocutor claimed stubbornly. I just felt sorry for him — he clearly did not realize what he was doing.

'Bewildered' Chechnya Negotiators Face Deadlock

MM0607151595 Moscow IZVESTIYA in Russian 6 Jul 95 p 1

[Report by journalist Igor Rotar: "Impossible To Agree With Dudayev, Members of Russian Delegation to Groznyy Talks Believe"]

[FBIS Translated Text] Groznyy-Moscow — On 5 July Prime Minister Viktor Chernomyrdin met with members of the Russian Federation Government delegation to the talks on a peace settlement in Chechnya (V. Mikhaylov, A. Volskiy, N. Semenov, and A. Kulikov), who briefed him on the progress of the talks. After this Chernomyrdin headed for the Kremlin alone for a one-on-one conversation with the country's president in order to finally coordinate Russia's position. When this issue was signed to press the substance of their conversation was still unknown. At the same time on 5 July Mikhaylov and Volskiy gave a news conference. It is reliably known that the meetings had stressed that during the talks the option of going outside the framework of the Russian Federation Constitution had been ruled out and the question of a possible change in Chechnya's status must not be raised.

Groznyy now awaits the return of the Russian Government delegation from Moscow for the fourth round of talks with Dzhokhar Dudayev's representatives. The talks between the two warring sides, which have been going on for over a month now, have effectively failed to break the deadlock.

Despite the fact that both delegations regularly make optimistic statements to the press, de facto the talks' participants have simply failed to achieve real progress on any block of questions under discussion.

The situation is becoming increasingly confused, and now it is no longer completely clear which political forces the talks' participants are representing. The correctness of the viewpoint quoted in IZVESTIYA 5 July of Salambek Khadzhiyev, head of the government of national revival, that "what is going on in Chechnya is not a war between Russian soldiers and Dudayev's Chechen volunteer militia but a struggle between conflicting Russian political forces" is being confirmed by new facts.

Thus, the Russian delegation has learned that Dudayev is also holding parallel talks with St. Petersburg Mayor Anatoliy Sobchak. The Russian representatives were also surprised by the extreme dissatisfaction expressed by Dudayev over Sergey Stepashin's dismissal. Finally, statements by the supporters of Chechen independence that progress will be achieved in the talks after the restoration of the Soviet Union are putting Moscow's representatives in a complete state of shock.

"You know, previously I believed that the exaggerated rumors that Usman Imayev, leader of Dudayev's delegation, is an FSB [Federal Security Service] agent were a blatant canard, but now I am simply confused!" — a bewildered member of the Russian delegation confided in me.

But despite the fact that in the current situation Moscow's envoys do not have a completely clear idea of whom they should actually be holding talks with, they have not lost their optimism. In the opinion of Russian delegation members Dudayev's participation

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in the coming elections is impossible. "The Army that fought in Chechnya would simply mutiny. Officers and men will not be able to reconcile themselves to the fact that they shed their blood in vain. When we signed the truce the hardest thing was to obtain the military's consent. What truce — fight to the end!, the generals cried," I was told by a member of the Russian delegation.

Following the call on Dudayev by Arkadiy Volskiy, deputy leader of the Russian delegation, it became clear that it is practically impossible to agree with the rebel president. According to Volskiy, Dudayev is categorically opposed to leaving for a third country. In this situation it is becoming increasingly acceptable to the Russian delegation to try to agree with Dudayev's current representatives, bypassing Dudayev. Especially as the imposing nature of the current composition of Dudayev's delegation — which, incidentally, has been approved by the president himself and which includes the chairman of parliament, general prosecutor, armed forces chief of staff, and minister of culture — to some extent confirms the legitimacy of such a separate agreement.

But such a plan does have substantial drawbacks. In the Russian representatives' opinion Dudayev no longer has authority on the territory that is not controlled by federal forces and all decisions are being made by people from his inner circle. In essence the living symbol of Chechen resistance is a king without power. At the same time, for the real leaders of the Chechen rebels to dissociate themselves from Dudayev would be an act comparable to desecrating the colors. It could even be surmised that the natural (?) demise of Chechnya's first president would bring a sigh of relief not only in Kremlin offices.

Chechens To Be Compensated for Lost Property

LD0907113395 Moscow ITAR-TASS in English 1115 GMT 9 Jul 95

[By Oleg Artyushin and Sergey Trofimov]

[FBIS Transcribed Text] GROZNYY, July 9 (ITAR-TASS) — Nikolay Semenov, head of the territorial administration of federal authorities in Chechnya, told journalists here on Sunday that local authorities will start implementing the regulations on compensations for lost housing and property, beginning from the next week.

A government commission already held three meetings and decided to start payments for lost housing and property to citizens from the next week.

Chechens Face Problems Trying To Rebuild

MM0707132595 Moscow ROSSIYSKAYA GAZETA in Russian 5 Jul 95 First Edition p 2

[Report by Osman Gadaborshev: "Interim Reports. Dates of Restoration Work in Question"]

[FBIS Translated Text] A routine session of the State Commission for the Restoration of the Chechen Republic Economy and Social Sphere has been held in Groznyy.

The Commission heard reports from leaders of the Russian Federation ministries and departments involved in Chechnya on the results of their work in May and June. In the opinion of Construction Minister Yefim Basin, the construction workers are working ahead of schedule. By the end of the year 1 billion [as published] 200,000 square meters of housing will have been commissioned. Some 16 schools and 10 hospitals have been repaired, double the envisaged target.

The restoration of vital installations — water, gas, and electricity supplies and the sewerage system — is being given precedence. Some 300 billion rubles have already been spent on this. They have begun repairing 25 boiler houses in order to prepare them for the heating season. Housing and utilities structures have been recreated — the water and sewerage trust, the city heating network, the city electricity network, and the city gas service. They have all been manned with cadres and fitted out with equipment.

Particular attention is being devoted to recreating the Chechen Republic's own construction complex. In Groznyy and Gudermes the war-ravaged brick plants have begun producing output. The "Chechenstroy" Administration, where over 4,000 people now work, is being revived. Steps are being taken to provide this collective with equipment and transport. Over 60,000 people, including 13,000 construction workers from various parts of Russia, are now involved in the restoration work in Chechnya.

The restoration process in Chechnya is gaining momentum from month to month. A tremendous amount of work has been carried out. However, the contents of ministry and department leaders' reports by no means always match the real state of affairs. According to the general director of Stavropol's "Blagagrant" firm, which is working on Groznyy's water supply, the city has a complete water supply and 110,000 cubic meters of water are being supplied every day. But in actual fact there is no water in Groznyy's homes. People are still thronging city streets and alleyways with buckets and cans in hand in the quest for water — huge lines form when they find a thin trickle.

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Although the reports and summaries say that lighting has been restored, the real situation is that most of the city's inhabitants spend every night in the dark. During these hot summer days, owing to the shortage of electricity, they are unable to use refrigerators and cannot watch television or listen to the radio.

If you believe Russian Construction Ministry figures, in June alone 200,000 square meters of housing were restored in Groznyy. I drove around the whole city and, despite all my efforts, could not find a single apartment or private home that had been restored after suffering major devastation.

The people to whom I spoke are indignant that the bulk of the construction materials arriving in the republic are being stolen with the knowledge and connivance of high-ranking leaders and that intrigue and deception are rife with regard to these materials. For instance, someone is issued with 100 slates to repair the wrecked roof of a house and is forced to sign a document saying that he has received 200 slates. People who refuse to agree to such deals are given nothing. The same happens with the allocation of glass, timber, and cement. It has reached the point where commercial stores are being set up in the city to sell stolen construction materials. The commission session had an impartial discussion of these facts. But the trouble is that things are going no further than talk. The leadership of the Chechen Republic Government of National Revival still does not have a list of people responsible for the allocation of construction materials in each specific area. That absence of individual accountability evidently suits many people.

IAEA Delegation Visits Center in Snezhinsk

LD0807192595 Moscow Radio Rossii Network in Russian 1700 GMT 8 Jul 95

[FBIS Translated Text] A delegation from the International Atomic Energy Agency [IAEA] has visited the Federal Atomic Center in the town of Snezhinsk in Chelyabinsk Region. Experts at the center have designed unique equipment for detecting covert activities for developing nuclear weapons. Our correspondent Lyudmila Shesterkina has the details.

[Shesterkina] The IAEA delegation has arrived in the Urals to discuss a very important problem with the Russian nuclear scientists, namely — the use of environmental monitoring to detect signs of undeclared nuclear weapons' building. Scientists in the Urals have proposed a unique method of determining the country or town where nuclear weapons are being secretly built. The accuracy of detection is 100 percent. Moreover, the nuclear scientists in Snezhinsk can now also differentiate peaceful work from military activities. This will make it possible to determine whether countries like Iran, Iraq, North Korea and some others are involved in developing nuclear weapons, or the nuclear fuel is destined for the power engineering needs of nuclear power stations.

During the visit to Snezhinsk, the IAEA delegation discussed the possibility of joint research into nonproliferation of nuclear weapons and the physical protection of nuclear substances.

Academician Yevgeniy Avrorin, head scientist of the center, said that it was necessary to set up under the control of the IAEA a long-term program of technical cooperation between Russia and America which would ensure the safety of our planet.

Arzamas Nuclear Workers Seek Yeltsin Resignation

MM1007160495 Moscow SOVETSKAYA ROSSIYA in Russian 8 Jul 95 p 1

[Report by I. Nikitchuk, Chairman of the Arzamas-16 Communist Party of the Russian Federation City Committee: "Demands of Arzamas-16 Nuclear Industry Workers: The Authorities Should Resign"]

[FBIS Translated Text] On 5 July, a rally involving many thousands of residents took place in the world-famous Russian nuclear center of Arzamas-16. This first meeting of such a size in the past few years lasted almost 2 hours. The speakers mentioned the disastrous position of labor collectives, their miserly wages, the unrestrained price increases, the crime rate, the payments of many millions to enterprise managers, and the fact that it is hardly worthwhile carrying out experiments to see whether people can survive involvement in the testing and manufacture of nuclear weapons.

The rally participants adopted a statement and a political resolution. The documents put forward a number of economic demands — that wages should be increased, paid on a regular basis, and indexed — as well as political demands — that the president and the Russian Federation Government should resign immediately and early an presidential election should be held.

The rally participants appealed to all workers in Russia's closed cities to join forces to defend their rights and to express their attitude to the ruling regime in the forthcoming elections of State Duma deputies and the Russian Federation president.

The rally's resolution mentions inter alia that:

"We know well all the advantages and disadvantages of socialism. We have now experienced first-hand all the "delights" of capitalism. We have a basis on which to

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make a comparison. We have something from which to choose. This is why we categorically demand:

1. That a nationwide referendum should be held asking one question: "Which type of social system would you choose for Russia — socialist or capitalist?"

2. Russian Federation President B. Yeltsin, who has humiliated Russia and disgraced himself frequently, should voluntarily step down from his post and an early election for the Russian Federation presidency should be held before the end of 1995.

3. The government of Chernomyrdin, which is the author and perpetrator of the collapse of the economy, science, education, health care, culture, and defense, and is to blame for the deaths of hundreds of thousands of Russians in interethnic conflicts and the orgy of crime, should resign immediately.

Demand Down in Moscow Real Estate Market

954F2693A Moscow SEGODNYA in Russian 28 Jun 95 p 4

[Article by Valentin Kornev: "Fewer and Fewer Apartments Being Sold in Moscow—Those Who Can Have Already Bought: The Structure of Operations in the Capital's Housing Market Is Changing"]

[FBIS Translated Text] June was marked by a seasonal decrease in demand and business activity in the real estate market. At the beginning of this week, the demand for cheap housing on the outskirts of the capital was cut by approximately half and fell to a minimum for prestigious apartments in the center. The number of transactions being concluded by large firms at the present time does not exceed 15-20 per month, and small transactions as a rule are isolated.

However, the emerging situation reflects not only seasonal fluctuations but also a more substantial change in the Moscow housing market as a whole. Besides the quite justified complication of the form of conducting transactions in the secondary market (for example, the necessity of processing information from guardianship organs), which complicates large resettlement operations, the market situation is determined in many ways by subjective but effective factors that restrain the winter price level, given the patency of its objective seasonal decline. First, this is the reluctance of sellers to resign themselves to the lowered prices. Second, the continuous increase in prices in the primary market in the sphere of municipal housing, which reflects the principal position of the Government of Moscow (a consequence of which became, in particular, the removal of three authorized firms and the conduct of a dealer competition for vacant places) and, in turn, influences the position of the sellers.

The structure of housing operations had changed by June as a result of contradictions arising. The successive decrease in sales can be considered the main trend. According to the data of analysts of a number of realty firms, only 15-20 percent of the transactions being conducted with housing relate to real purchase-sale operations. The predominant number of different transactions are recorded during exchanges. This change introduces corrections in the correlation of the primary and secondary markets and is conditioned by the distribution of demand for Moscow housing.

The demand of clients of realty firms for apartments in the outskirts and situated in the same direction as those that are being sold is a rather persistent regularity, given the changes in housing conditions. Thus, in the number of resettlements, owing to which a substantial part of the housing in new building projects is sold, the area of Leninskiy Prospect, which is associated with the appearance of new building settlements in Nikulino and Matveyevskiy, is now being singled out. The demand for apartments can also be considered steady in Mitino (which is supported by Krylatskiy Rayon), Severnyy Butov (Chertanovo), and in a certain measure Solntsevo. At the same time, despite proximity to the metro and similar consumer qualities, apartments in Zhulebino are not in demand—most of all owing to the fact that housing southeast of Moscow is not prestigious and, as a consequence there is an extremely small number of resettlements.

Metro construction acts as an additional and very important factor in demand for new building projects—price increases for apartments in the area of Altufyevskaya Station, which occurred immediately after it went into operation in 1994, can be cited as an example. At the same time expensive municipal building projects enjoy almost no demand—thus, apartments in the building at 22 Leningradskiy Prospekt have been for sale for a long time (at a price corresponding to $4,000 per square meter). Under the conditions of today's stabilizing level of prices, there is an increase in the number of operations associated with changes in living conditions within the secondary market. Their main part consists of exchanges (by means of a purchase-sale) of apartments of similar quality with a change to a less prestigious area. The established price ratio, which is being determined by location, makes it possible to get from $15,000-25,000 as a result of the exchange (thus, a three-room apartment in a brick building in Sokol is priced at $135,000-140,000, and a similar one on Semenovskaya— $110,000-140,000) to $60,000 (an apartment in a paneled 17-story building in Krylatskiy

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Rayon costs about $135,000-140,000, the same kind, for example, on Krasnodarskaya—$75,000-80,000, and in Mitino, about $85,000).

Under the present structure of different types of operations, their total number is being continued. Therefore, realtors' interest in the municipal housing market, which was displayed through the participation of a number of large firms in the dealer competition, is not entirely comprehensible. It can be assumed that inasmuch as what is happening in the "apartment" market is not simply of a seasonal nature but reflects more profound trends, either housing prices will start to drop by autumn (which probably will also affect new municipal building projects), or operations to stimulate real estate will become the principal operations of those being practiced in the Moscow market.

FSB Chief Reports on Foreign Spies in Rostov

MK0707092095 Moscow KOMMERSANT-DAILY in Russian 7 Jul 95 p 3

[Report by Aleksandr Bezmenov: "CIA and Mossad Tentacles Reach Out to Rostov-na-Donu"]

[FBIS Translated Text] While the events in Budennovsk lost the FSB [Federal Security Service] some personnel, they brought its staffers some moral satisfaction: The Chekists now have yet another pretext to alert the populace to a threat of espionage hanging over them. Precisely this subject was the focus in a press conference in Rostov-na-Donu the other day by Major General Valeriy Dyatlenko, FSB oblast directorate chief.

Describing a formidable activism in the Northern Caucasus of foreign special services, the general was generous with examples. In his words, the main threat to the Fatherland's security is carried out by the activity of representatives of a number of Near and Middle East countries aimed at not just procuring intelligence but also at spreading the ideology of Pan-Islamism and Pan-Turkism and fanning in Russia extremist and separatist tendencies. A more remote objective of the countries which thus encroach upon Russian borders (Dyatlenko bunched together Turkey, Iran, Pakistan, Syria, and Jordan) is to create in the Northern Caucasus independent states so as next to oust Russia from this strategically important region.

Rostov's number one Chekist noted that the West is trying to keep up with the East: According to information of the oblast FSB directorate, Rostov Oblast seriously interests special services of the United States, Great Britain, the FRG, France, Israel, and China. The general did not elaborate on which ideology the Chinese are going to propagate in the Northern Caucasus, noting that the cloak and dagger knights are putting to use the entire arsenal of spying ranging from legal diplomatic "cover" to "levers of economic and diplomatic pressure." Nor are they averse in the West and the East to open subversion: Dyatlenko maintains that a number of U.S., Japanese, and French firms tried to sell in the Don region "unmarketable organic fertilizers," as well as to use this bread basket of Russia as test grounds for new chemical compounds that include strong defoliants.

The counterintelligence man also had some unkind words about various Russian funds and associations with broad links with foreign data bases, into which they are pumping what the general considers classified information. However, Rostov Chekists, in Dyatlenko's words, are ready to give tit for tat to both foreign James Bonds and home-bred Shamils [terrorists]. To confirm the statement, journalists were shown a demonstration of a special group freeing hostages from a plane (it took three seconds) seized by "terrorists," and from an automobile.

Premier Signs Order on Funding Rail Project

MK0707134095 Moscow SEGODNYA in Russian 7 Jul 95 p 3

[Unattributed report: "Joint-Stock Company Being Set Up To Complete Rail Project in Yakutia"]

[FBIS Translated Text] Russian Federation Prime Minister Viktor Chernomyrdin has signed a directive setting up an open-end joint-stock company for attracting funds toward the completion of the Berkakit-Tomot-Yakutsk railroad construction. The controlling block of shares (51 percent) is to belong to the state. The state's share will be contributed to the incorporation fund of the joint-stock company in the shape of the now incomplete railroad. It is proposed that if funding comes from the Russian and Yakutia budgets, the share belonging to the state will be increased. If private investments are attracted and if the incorporation fund is increased, however, the state would have 51 percent of the shares all the same.

Kabardino-Balkaria Demographics 'Alarming'

954F2700A Nalchik KABARDINO-BALKARSKAYA PRAVDA in Russian 4 Jul 95 p 2

[Article by Artur Kushkabiyev, head of a division of the Kabardino-Balkar Republic Ministry of Social Protection: "Birthrate Is Declining, But the Population Is Growing"]

[FBIS Translated Text] A certain attention has come to be paid as of late in the Kabardino-Balkar Republic to the problems of demography. An Interdepartmental Commission for Sociodemographic Issues operates

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under the auspices of the government, studies are being conducted, and publications are appearing. This is undoubtedly gratifying. Broaching this subject just five or six years ago was not recommended, and if some material did, for all that, filter into the news media, it was only within a certain strict framework excluding the essence of the problem.

The demographic situation in the Kabardino-Balkar Republic may be described as extraordinarily complex and even alarming. As in the Russian Federation as a whole, a sharp decline in natural population increase is noted here. Whereas in 1989 natural increase in the Kabardino-Balkar ASSR was 13.6 persons per 1,000 of the population, in 1993 this indicator constituted five for the Kabardino-Balkar Republic, and in 1994, 4.3.

This has, understandably, been caused by a number of objective and subjective factors, among which economic factors are predominant. The socioeconomic situation in the country will one day return to normal, birthrate will increase, and mortality will decline. But it is impossible to imagine when all this will occur naturally. For multi-million-strong peoples such fluctuations represent no danger, for small peoples, however, to which the Kabardians and Balkars may be attributed, they could have irreversible consequences.

The negative consequences of this phenomenon are being intensified also by the fact that this process is occurring under the conditions of the incessant immigration into the republic of the inhabitants of other regions of the country, which increased markedly following the start of combat operations in Chechnya. This is despite the well-known decrees and laws of the Supreme Council and parliament of Kabardino-Balkaria which proposed a considerable limitation of the influx of the population into the republic.

The results of the immigration are well known. The population of Kabardino-Balkaria increased from 1921 through 1989 by a factor of 4.2, including an increase in Russians by a factor of 10.1, of Kabardians, by a factor of 3.1, Balkars, 2.6, and representatives of other peoples, 7.3. Whereas the numbers of the indigenous peoples increased only thanks to natural increase, the numbers of other peoples increased mainly thanks to immigration. This has led to population density here being almost six times higher than in the Russian Federation on average (eight times higher according to a different computation procedure). This is not counting the fact that a large part of the territory, the mountainous part, that is, is unsuitable for habitation and many types of economic activity.

A consequence of the immigration into the republic has been the sharp rise in the price of housing. Considering the reduction in construction and the considerably increased cost of building materials at the same time as an appreciable decline in the real income level, the housing problem has become one of the most acute in the republic.

The small number of apartments that are still made available to the public free of charge are allocated mainly to participants in the war, the handicapped, and other categories of privileged persons. This is being done fully in accordance with current legislation and is justified from the moral-ethical viewpoint. But, from the viewpoint of reproduction of the population, this distribution of housing is the least effective. The lack of acceptable housing conditions is a principal factor impeding the appearance of children in families. For the bulk of young families the purchase of their own living quarters under present conditions and in the foreseeable future has become highly problematical. Hence a further decline in the birthrate with all the ensuing consequences may be forecast.

Immigration is also having a negative effect on the level of employment of the population and on the crime situation, exacerbating the sociopolitical situation in the republic, which has thus far been more or less stable.

The demographic problems of our villages are causing serious concern. At the present time representatives of indigenous nationalities constitute more than 80 percent of all villagers of the republic.

Kabardians and Balkars are very attached to their villages, and even those born in a city keep up their ties to the village where their fathers and grandfathers lived. Our peoples were preserved in historically inauspicious times largely thanks to this attachment. But in recent years the situation has changed drastically. The unlimited growth mainly of the Kabardian and Balkar villages has led to many of them both in terms of size of population and in terms of occupied territory having assumed enormous proportions, having swallowed up many fields and livestock grazing areas. For this reason considerable numbers of the inhabitants of such villages lack the conditions and opportunities for keeping livestock and purchase dairy products in the city or else do without.

It was a good custom among the Kabardians and Balkars earlier, when the children were growing up, for the youngest son to live in the parental home and for the rest to leave it and set up elsewhere. In recent years, though, the parents have been forced to divide up their plot of land into several parts and to develop it for each son. There is virtually no room for a truck garden or orchard after this.

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As a result of this consolidation and growth of the villages in all directions the truck gardens and livestock—the age-old source of the villagers' existence—are disappearing. With the growth of the villages there is no growth of the fields. But there is a growth of unemployment and the further impoverishment of the population.

In the Kabardino-Balkar Republic there are altogether 25 rural centers of population with more than 4,000 inhabitants, not counting rayon centers and worker communities ascribed to the cities. At the same time 43 rural centers of population have fewer than 400 inhabitants each. Of these, 14 have fewer than 100 persons each.

The need for a resolution of the problem is obvious, but not a single new village has been created in our republic in the past 30 years. The best thing would be a ban on the construction of homes for new families in the large rural centers of population (with 4,000 and more inhabitants for a start, for example) and the organization of the construction of new homes in small localities for the resettlement there of new families from the giant villages. And also the construction of new villages to this end. The migrants could simultaneously be allocated land for the creation of farms here and they could be rendered the corresponding material assistance on a compensatory basis.

Despite the urgency of the demographic problems raised and those that have remained beyond the purview of this article, the majority of them are not being tackled in the Kabardino-Balkar Republic as yet. And not, most likely, because the republic government has no desire to deal with them. There is no body responsible for these matters. The Interdepartmental Commission for Sociodemographic Issues consists of the leaders and representatives of various ministries and departments with their own particular functions.

The seriousness and acuteness of the problems of demography dictate the need for the creation of the appropriate department in the republic. This could be either an independent state committee with ministry status or a separate office in the structure of an existing ministry. The Ministry of Social Protection of the Population of the Kabardino-Balkar Republic would seem the most suitable in this case.

Both options have their merits and shortcomings. An independent state committee would undoubtedly have advantages in terms of efficiency and authority, but the creation of a new infrastructure on the scale of the entire republic would be a costly proposition. With the formation of an office of demography in the structure of the Ministry of Social Protection of the Population of the Kabardino-Balkar Republic, use could be made of the existing system of city and rayon departments for the social protection of the population. If, on the other hand, staffs are formed within the framework of the reduction in the administrative systems of ministries, departments, and state organizations planned by the president of the Kabardino-Balkar Republic, expenditure may altogether be reduced to a minimum.

Study of the state of questions of demography in the Kabardino-Balkar Republic, the drafting of normative instruments and proposals pertaining to demography and their presentation to the president, the government, and the parliament of the Kabardino-Balkar Republic, control of the sale of housing and registration in the republic by way of the supplementary approval of the papers of each registrant, and the organization of the construction of new housing and participation in the allocation of released housing for young families on a compensatory basis in the cities and rural centers of population of the republic could be entrusted to this organization.

The space of a newspaper article makes it possible to touch only on the extremely neglected demographic problems. The sooner we embark on their resolution, the greater the opportunities we will have for halting the negative processes in this sphere and beginning an improvement in the demographic situation. We would all be the beneficiaries of this.

Moving Capital to Novosibirsk Pondered

954F2697A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 30 Jun 95 p 6

[Article by Dmitriy Gorbunov: "Novosibirsk as a Real Alternative to Moscow: A Businesslike Discussion Took Place at the Scientific Conference...."]

[FBIS Translated Text] Vasiliy Lipitskiy is well known to the residents of our city as an energetic politician who is capable of finding unexpected ways out of what would seem to be dead-end situations. One of Vasiliy Lipitskiy's projects is the plan to move the capital of Russia to Novosibirsk. It is precisely to this subject that the scientific-practical conference "Social-Economic and Political Aspects of Moving the Capital from Moscow" held the other day at the Siberian personnel center was devoted.

The scientific forum turned out to be very representative: Many prominent scientists from Moscow and St. Petersburg and Siberian cities came to the conference and, of course, representatives of scientific circles of Novosibirsk. For the time being, it is true, the conference worked without breaking up into sections, but the next scientific measure devoted to this theme, which

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will probably be held this autumn, will have all the prescribed attributes. As the host, Vasiliy Lipitskiy spoke first, and once again repeated the arguments for moving the capital from Moscow, which, however, did not become less true from repetition.

First the fact that the Moscow bureaucratic apparatus is growing was discussed, that it is in no condition to manage the country effectively, and that it does not even desire to do so. Moscow bureaucrats are not in the least considering the desires and real needs of the regions, thereby provoking various kinds of local separatism. At the same time Moscow is extremely dependent on the regions, first and foremost Siberia, as a source of various raw material resources. It is obvious that it is necessary to decisively change the situation that has developed. Vasiliy Lipitskiy also noted the fact that Muscovites have always lived more prosperously in a material sense than the whole country, but with the transfer to today's relative market relations, when money determines everything, the central authorities are actively promoting the fact that it is Moscow that has become the largest center of financial activity in the country. In any case, it is hardly possible to consider normal the fact that the wages of the average Muscovite exceed the wages of the average Novosibirsk resident by a factor of five. And, as has already been said, at the same time Moscow is not capable of resolving and does not desire to resolve the task of rational and effective management of the state.

Expenditures on maintenance of the capital and its inhabitants are continuously increasing and becoming simply excessive for the country. The regions are realizing more and more that only they themselves can resolve their problems. The declared self-financing that actually turned into bankruptcy and ruin for hundreds and thousands of enterprises in the country paradoxically did not hurt Moscow, which does not produce anything except instructions and edicts, guided by the principle that the instructions can be bad, but there must be many of them, substituting quantity for quality. In this situation, moving the capital from Moscow looks like a very appropriate decision that is capable of bringing real benefit to the state as a whole. Novosibirsk as a city is situated in the very center of the country, possessing a large scientific and industrial potential and, finally, with its cultural traditions it is quite suitable for the role of capital of Russia.

The members of the conference paid particular attention to the geopolitical aspects of moving the capital from Moscow. The speech by Professor Sergey Lavrov of St. Petersburg University, chairman of the Russian Geographical Society, was memorable. He talked about modern Western geopolitical concepts and the role assigned to Russia in these mental constructions. As is known, the shortest definition of geopolitics can be formulated this way: Space from the standpoint of a state. Space here is meant in the broadest sense of the word. The picture of the world was quite apparent in the epoch of the Cold War and the world confrontation of the superpowers, but with the beginning of the perestroyka proclaimed by Mikhail Gorbachev, the world around us began to change swiftly. After the fall of the Eastern bloc, and then of the USSR, geopolitics became one of the most rapidly changing and necessary scientific disciplines. The leaders of the Western world never wished Russia well, and after its weakening, in many ways voluntary, they began to completely ignore our country and simply not take it into account.

The trilateral commission—a closed organization composed of representatives of the United States, Western Europe, and Japan—long ago buried Russia as a world power and is interested most of all in Russia's greatness never again being revived. Its decisions spoke of three circles of candidates for membership in the European Community. In the first one are the European countries that are not yet part of the EC; East European countries ended up in the second circle; finally, a third circle exists consisting of countries that are not candidates, and which it is not planned to accept into the EC even in the distant future. Russia tops the list of such countries.

It was Brzezinski who proposed, not without success, the policy of so-called geopolitical pluralism inside the CIS, which means in practice active obstruction of the strengthening of ties between the CIS states and viewing Russia not as a partner but as a client. All these statements are not secret and are quite available to the general public. What looks especially strange is that the Russian leadership is completely ignoring them and persistently trying to get into NATO and the EC, which are not waiting for us.

Meanwhile the world, having lost its bipolarity, has by no means become safer. Rather, the opposite: With the dissolution of the USSR, the firm world system of stability disappeared, and the balance of forces shifted globally. America, considering itself the only superpower that has the right to dictate its will to all mankind, is not capable of supporting for a long time the necessary industrial effort for such a role or of increasing the pace of equipping its army. At the same time such nonaligned states as China are becoming more significant. In the second half of the 1980's and in the 1990's China's economy developed swiftly; our near neighbor's industrial and agricultural production growth exceeds that of any other country in the world. China's GDP today exceeds the GDP of united Germany, and by the year 2000, according to forecasts, will be bigger

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than Japan's. China's army also looks very impressive. Against the background of the slump in production in our country and the breakdown of the army, these figures look simply threatening. Peaceful colonization of the Far East by the Chinese has already begun, and today about 2 million of them live there illegally.

All this urgently demands Russia's most intensive attention to Siberia and the Far East. A reorientation of policy from strictly Western priorities toward the East is necessary. Already in this sense as well, moving the capital to Siberia seems more than desirable. Especially since entry into the Western world is impossible. In the words of one of America's researchers, in contemporary Russia a communist can become a democrat, a rich person can become poor, but a Russian cannot become an Estonian or an Armenian.

At the same time the government simply does not have any foreign or national policy. As noted by Vasiliy Lipitskiy, when you discuss national interests with the Moscow rulers of Russia, they think you are either a madman or you are dissembling. Professor Tsymburskiy from the Institute of Oriental Studies (Moscow) talked about the fact that after the Belovezha treaty and the dissolution of the USSR, the policy of our state lost all foreign political purpose. Russia is attempting to break into Europe and to identify with it. But Europe is rejecting us and does not accept us. Today the country has found itself in a geopolitical trap: The Black Sea straits were privatized by Turkey, and the unexpectedly emerging states of the near abroad isolate Russia from Europe, adopting the functions of a cordon sanitaire. The solution is the development of the vast territories beyond the Urals. Russia is marginal in the European world. The West needs raw material resources, huge reserves of which can be found in Siberia, and the rest has no meaning, let them crush each other in their Muscovy. If Moscow officialdom is not able to perceive the new realities, it can be boldly said that Moscow was not viable after 1991 and that its existence has lost all meaning. Moving the capital will only officially confirm an already accomplished fact. In all cases a central location is much better than a peripheral one, and today Moscow is on the periphery.

Representatives of the city and oblast authorities noted that after raising the problem of moving the capital, Vasiliy Lipitskiy is risking arousing the anger not only of the Moscow elite but also of the administration of Novosibirsk. However, the contradictions in the mutual relations between the center and regions are too acute, and it is simply necessary at least in some way to indicate to the federal authorities that they can no longer pump out the resources of the country from the provinces without giving something back in exchange. In the brochures published for the opening of the conference, world experience in moving capitals was summarized, and it was noted that such a decision is quite possible and will not result in any kind of catastrophe. The architects of the city showed those assembled elaborations of plans for the reconstruction of Novosibirsk as a capital.

In a word, as Mikhail Gorbachev liked to say, the process was a success. Now it is necessary to prepare detailed economically justified plans for moving the capital and to arrange for a national discussion on this project. It is interesting that when Lipitskiy proposed to put the question of moving the capital on the State Duma agenda, more than 100 deputies voted for it. Moreover, no preliminary work or detailed discussion was conducted. But the votes of 225 deputies are necessary for the adoption of a decision. Thus, Vasiliy Lipitskiy's surprise idea proved to be rather timely, and is increasingly taking on the features of a real plan.

Novosibirsk Oblast Council Session Reviewed

954F2701A Novosibirsk SOVETSKAYA SIBIR in Russian 30 Jun 95 p 1

[Article by A. Yugrina: "A Formula for Dialogue: XII Session of the Oblast Council of Deputies"]

[FBIS Translated Text] In our country, Novosibirsk holds third place with respect to cities in which a significant portion of industrial enterprises specialize in defense-oriented production output. It would be more accurate to say—used to specialize, insofar as the burden of economic transformations is so great for this segment of industry that we find ourselves in an extremely difficult socioeconomic situation. The government has first and foremost deprived the defense industry of state requisitions and financing.

Here we are faced not only with an absence of prospects for this sector, but with personnel reductions, loss of work time in indefinite leaves, low wages, and loss of advanced technologies. Only the growth curve of debts for electricity, water, heat, and taxes is moving upwards.

Managers of enterprises and the local authority have appealed many times to the highest state levels, trying to "get through" to them, believing that their signal of distress would be heard. But all in vain. Systematic failure on the part of the government to fulfill its responsibilities has become traditional, while the persistence and unyieldingness of the directors of industrial enterprises have only put a temporary halt to the degradation of plants and the sociocultural sphere.

Unfortunately, neither is the situation saved by deferral of payments to the territorial budget and subsidies

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allocated from the local budget for the maintenance of departmental housing and the sociocultural sphere.

Two practical scientific conferences were held in Novosibirsk at which the oblast administration developed recommendations and proposals for correcting the strategic orientation of reforms. But the federal authorities have stubbornly ignored even these quite serious, well-reasoned analytical arguments.

The situation in the oblast is also deteriorating with each passing month due to an outflow of investments through banks to the far abroad. The problem of stabilization of the economy in our oblast is acquiring a critical nature. Not only the defense sector is affected, but light industry, metallurgy, and the wood-processing industry as well.

Issues involving the operation of enterprises have traditionally been discussed at the initiative of the executive authority. Now all of a sudden this painful topic has become the subject of conversation of oblast council deputies. Is this an accidental circumstance?

The alarming situation in industry, and therefore the general state of well-being of the populace, are inseparably approaching a critical stage. It is for this reason that 19 enterprise managers of Novosibirsk presented their proposal to A.P. Sychev, chairman of the oblast council of deputies, to convene an extraordinary session of this council, with the participation of the oblast and city administrations and deputies of the city assembly, to develop joint solutions to the problems of collapsing industry.

The session was convened with the agenda "Specific Measures To Stabilize the Operation of Oblast Industry." A. Sychev delivered a report on the state of affairs at enterprises upon the results of January-May 1995 operation.

The central mass media are presently engaged in fairly lively discussion of the question of stabilization which has allegedly set in. All of this will at least elicit a bitter smile. Graphic examples of the opposite—degradation of production, resounded in clear, well-reasoned argument both in the words of the oblast council chairman and later in discussion of the report citing specifics of the Novosibirsk industrial complex.

Operational results for the past year show that production volumes dropped by more than half from 1991 levels, in comparable prices, and the decline was even more serious for certain base sectors.

In May of this year, we saw unrestrained continuation of the process of declining physical volume of industrial production as compared with May 1994. At many enterprises this decline reached a level of 30 percent. In this regard, the state sector is becoming ever more vulnerable than the nonstate sector, "dropping" more rapidly.

The "leaders" in this process are enterprises of ferrous metallurgy, the chemical and petrochemical sector, and light industry.

Positive indices remain for the time being with respect to the operation of enterprises in microbiology and nonferrous metallurgy.

The conclusion suggests itself here that federal authorities seem to be squeezing out profitable, research-intensive, high-technology production, while leaving enterprises of "detrimental" production output to the city and oblast. But even under these conditions, certain collectives are "stretching" their enterprises and generating a profit. Though under the present circumstances, the word "profit" sounds ludicrous since it is instantaneously devalued by the high rate of inflation, increased prices for energy, materials, raw materials, and transportation services, the nonpayments crisis, and a heavy tax burden.

The defense industry finds itself in an especially difficult predicament. Many enterprises have not obtained a settlement from the Ministry of Defense for production output dispatched by state requisition for last year. The state does not provide them financial means for maintaining mobilization capacities or supporting conversion programs. Departmental housing and sociocultural facilities on the balance sheets of enterprises have become an impermissible luxury. There are simply no funds to maintain them. Working capital is not even the subject of dreams.

A.P. Sychev enumerated the service record of all measures undertaken by the oblast administration on the oblast and regional scale with the aim of reviving industry. We recall the second practical scientific conference in April of this year, when the theme discussed was "Stabilization Strategy for the Regional Economy: Problems and Solutions." But the members of the government and specialists from sectors and departments went their separate ways, leaving the problems behind.

It was noted repeatedly in the report and during discussions that the oblast administration was doing a great deal to support the investment projects of industrial enterprises, sometimes applying to the government for federal budget allocations with some degree of success, and appropriating funds from the local budget for production output of social significance. All the same, the use of lump-sum grants "robbing Peter to pay Paul" has proven

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impossible. Not the force nor the funds exist to put industry back on its feet in one individual oblast when economic ties all across the country are severed and the legal and financial capabilities of the administration are entirely limited.

Oblast administration specialists, deputies, and enterprise managers found it difficult to talk about surmounting the crisis in industry. Dialogue between the authority and production managers took place all the same, however, but not without an emotional outburst from Deputy G. Pugachev, who thought it might be useful under such circumstances for the body "to dissolve." Fortunately, the idea of dissolution not only failed to garner support, but was "buried" by tough, businesslike discussion of a draft resolution of the session. This was not a resolution developed offhand, but rather the product of a thorough study of the problem of stabilization by members of commissions composed of administration specialists, oblast council deputies, and enterprise directors. Here State Duma Deputies V.A. Bokov and I.S. Anichkin introduced the question of whether any benefit would be derived from a deputy vote. In their opinion, the problems of stabilization of industry would become the subject of discussion in the parliament in the near future.

The issue "Structure of the Oblast Administration" was also examined during the first meeting of the oblast council session. Administration head I.I. Indinok acquainted those present with conceptual approaches to the formation of a system for governing the oblast. These were the result of generalization of the materials and proposals of a working group with deputy participation.

The Novosibirsk Oblast Council resolved to confirm the structure of the oblast administration with a few changes and proposals.

The session examined other issues dealing with the life sustenance of the oblast as well. Decisions on these issues will be published in this newspaper.

Tatarstan Foreign Economic Relations Minister Named

954F2704A Kazan RESPUBLIKA TATARSTAN in Russian 4 Jul 95 p 1

["Edict of the President of the Tatarstan Republic: On the Appointment of R.G. Akhunov as Minister of Foreign Economic Relations of the Tatarstan Republic"]

[FBIS Translated Text] To appoint Rashit Garifzyanovich Akhunov as minister of foreign economic relations of the Tatarstan Republic.

[Signed] President of the Tatarstan Republic M. Shaymiyev

Kazan, the Kremlin, 3 July 1995

* * *

Rashit Garifzyanovich Akhunov was born in 1953 in the city of Kazan. He is Tatar. He completed his higher education at Kazan State University.

Akhunov began his career upon graduation from the university as an editor with TATKNIGOIZDAT in 1976. In 1987-1989 he headed the cooperative Leysan. From 1989 through 1991 he served as vice president of the USSR Creative Works Academy. Since 1991 he has been general director of the joint-stock company International Commercial Union.

* * *

On 3 July, Tatarstan Republic Prime Minister F. Mukhametshin met with the collective of the republic Ministry for Foreign Economic Relations. The head of government introduced Rashit Garifzyanovich Akhunov to ministry personnel as having been appointed minister of foreign economic relations of Tatarstan in accordance with edict of the Tatarstan Republic president.

[Signed] Press Service of the Tatarstan Republic Cabinet of Ministers

* * *

Discharged From Position

By edict of the Tatarstan Republic president, Shavkat Raufovich Arslanov is discharged from his position as minister of foreign economic relations of the Tatarstan Republic in connection with his appointment as director of the financial-industrial group Mostatnaft from the Tatarstan Republic, and adviser to the prime minister of the Tatarstan Republic.

'Russia Is Our Home' Party Founded in Tatarstan

954F2720A Kazan IZVESTIYA TATARSTANA in Russian 5 Jul 95 p 1

[Article by IZVESTIYA TATARSTANA correspondent Tamara Levina: "'Russia Is Our Home' Comes to Tatarstan"]

[FBIS Translated Text] A founding conference of the Tatarstan regional organization of the all-Russia sociopolitical movement "Russia Is Our Home" [NDR] was held yesterday in Kazan.

According to the credentials commission chairman, Republic of Tatarstan Minister of Social Security Galina

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Lotsmanova, 158 delegates were elected to the conference; at the opening of the event 132 delegates registered, of whom 21 percent work in organs of state authority, 63 percent are heads of enterprises, joint-stock companies, and banking structures, and 16 percent work in the sphere of science and culture.

Since the day RF [Russian Federation] President Boris Yeltsin became the midwife of this sociopolitical movement, there have been constant contentions that its purpose is to unite people who already possess representative, executive, or economic power. One only needed a look at those who had gathered for the conference in the cozy auditorium of the Kazan Cultural Center to see that the Tatarstan regional organization is no exception.

Dignified men with well-made folders and briefcases; elegant businesslike women.... The first impression was reaffirmed by the selection of speakers—heads of major enterprises—and the composition of the regional organization's elected council, which has only one blue-collar worker—PO [industrial association] Terminal team leader Albert Nurutdinov among its 13 members; the rest are heads of administrations (or their deputies), members of the Republic of Tatarstan Government, and directors of major enterprises and organizations.

On the other hand, perhaps the time when we divided people by their belonging to a particular societal stratum is past. After all, we should be joining forces in looking for a way out of the protracted crisis in which the country has found itself.

I would like to believe that the NDR will be able to achieve the goals and tasks it proclaims. First and foremost, help move forward the economic reform, implement an active social policy, consolidate social forces, aimed at strengthening the constitutional foundations of a democratic federative state, and reinforce the principles of civil peace and accord.

One way or the other, "Russia Is Our Home" has now acquired legitimate residence in Tatarstan. At the founding conference Alla Gabutdinova, Tatarstan deputy prime minister and chairman of the State Committee on Economics, was unanimously elected regional organization chairman, and Rashid Apakov, general director of the GPO [state production association] Radiopribor, and Nail Khusnutdinov, Kazan's deputy head of administration—her deputies.

Among the conference participants were Yuriy Sizov and Valeriy Grebennikov, deputy chairmen of the executive committee of the all-Russia sociopolitical movement "Russia Is Our Home."

* * *

By the way. Fifty regional organizations of the "Russia Is Our Home" movement, headed by Prime Minister Viktor Chernomyrdin, have been set up in RF components. NDR Executive Committee Chairman Leonid Vid announced this at the Tuesday meeting with journalists in Moscow.

He emphasized that "NDR unites the doers, people who strive to lead Russia out of the crisis and achieve economic and social stability in the country." According to L. Vid, initiative groups working on creating regional organizations exist in 79 republics, krays, and oblasts of the Russian Federation, with the exception of Chechnya and some new ethnic okrugs. It is envisaged that the process of forming the movement's regional structure will be completed by 15-20 July.

The head of the NDR executive committee noted that "the criticism some political opponents are heaping on the movement is unfounded, among other reasons because we have not yet had time to do anything bad—or good, for that matter (the movement's founding congress was held on 12 May, and it was registered with the RF Ministry of Justice on 23 May 1995—INTERFAX).

Neither does L. Vid agree with those who call the NDR a "party of power." He maintains that "along with some high-ranking local-level officials, the bulk of the movement's membership is comprised of knowledgeable, professional specialists from all spheres of life, including members of the creative intelligentsia."

As for V. Chernomyrdin's activities within the NDR framework, according to L. Vid, he "engages in it solely on his own time—in the evenings and at weekends."

Answering an INTERFAX question as to whether there are plans to transform the movement into a political party, the head of the NDR executive committee said that "such a possibility cannot be precluded, since our goals are long term, not momentary, and achieving them will require a concerted effort for at least three or four years after the upcoming parliamentary elections."

Economic Issues

Economics Minister: Stabilization To Come Later

LD0707170695 Moscow ITAR-TASS in English 1613 GMT 7 Jul 95

[By Aleksandr Samozhnev]

[FBIS Transcribed Text] MOSCOW, July 7 (ITAR-TASS) — "We think financial stabilisation will not begin as planned at the end of 1995 but somewhat later,"

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Russian Economics Minister Yevgeniy Yasin today said in his report to the international conference "Russia: a new era in business, finances and investments."

According to the Minister, the postponement is mainly due to a high level of inflation which persists despite all efforts made by the government and the Central Bank of Russia.

The Minister said the rate of inflation in June reached 6.7 percent as against expected 3-4 percent. The draft budget for 1996 envisions inflation rates that are lower than this year's, and there is hope that the government would accomplish the task of curbing the inflation, he stressed.

According to Yevgeniy Yasin, inflation was fed by a number of factors, including the restructuring of the money mass accompanied by the "dedollarisation" of the economy, Central Bank interventions on the currency exchange over the past three months aiming to maintain the dollar exchange rate and the liberalization of foreign trade and the oil market. All those factors sent the prices of energy resources spiralling, and all other prices will reflect the impact later.

According to the Minister, the government is concerned about creating a legal framework favourable for attracting foreign investors.

Russia can now use between 10 and 15 billion dollars in foreign investments per annum. To date, they amount to around one billion dollars a year, the Minister said.

Russia has enough of its own investment resources. Next year, depreciation funds alone will reach some 310 trillion roubles, Yasin said.

The problem with these resources is that many enterprises are unable to use them effectively, the Minister grieved.

Ruble Rate To Be Controlled by Market Methods

LD0707135595 Moscow INTERFAX in English 1255 GMT 7 Jul 95

[FBIS Transcribed Text] MOSCOW, July 7 (FIA-INTERFAX) — The ruble's fluctuations in the exchange and inter-bank currency markets between 4.300 rubles and 4.900 rubles for one dollar will be controlled exclusively by market methods with the use of the available well-established machinery, CBR [Central Bank of Russia] acting president Tatyana Paramonova has said.

She explained that the machinery provided for interventions in the Moscow inter-bank exchange, regional currency exchanges and the Moscow inter-bank market.

"The introduction of lower and upper limits of the ruble's fluctuations does not mean transition to a fixed rate policy", Paramonova said.

She said that the "imposition of restrictions on the exchange rate will make the currency policy more predictable, something everybody is interested in".

Paramonova hopes that progress in this direction would not depend on any changes in the political situation in the country.

The Central Bank's policy in controlling the exchange rate in the fourth quarter of 1995 will be conducted in keeping with changes in the economic situation.

About the Central Bank's decision to limit the amount of ruble cash in circulation Paramonova said that by July 1 1995 2.7 trillion rubles of cash had been withdrawn from the circulation. Paramonova said that the money was added to the budget.

Paramonova on Bank's Move To Help Currency Policy

LD0707151595 Moscow ITAR-TASS in English 1442 GMT 7 Jul 95

[By Pavel Yerasov]

[FBIS Transcribed Text] MOSCOW July 7 (ITAR-TASS) — A series of moves will be required in the nearest time for the Central Bank of Russia to meet its commitment keep the dollar rate within the range of 4,300-4,900 roubles, the bank's acting governor Tatyana Paramonova told a news conference today.

Recommendations will soon be provided for banks to protect the population's investment deposits from inflation.

Russia's banks will protect these deposits by buying government securities. Interest rates must correspond to profitability of government short-term bonds.

In addition, new rules for the conduction of open operations with the foreign currency by banks will be soon introduced.

This will help the Central Bank control the inter-bank segment of the currency market whose role was made greater by the recent cancellation of rules which banned sales of exporters' currency revenues outside currency exchanges.

This will require more coordination of activities of the Central Bank and finance and economics ministries.

"The budget component remains a potential danger for the entire pecuniary and credit policy," Paramonova said. "The Finance Ministry must ensure the collection

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of revenues and keep expenditure within projected limits. In this case our currency policy will receive an adequate support," she said.

The decision to restrain fluctuations of the rouble's exchange rate was made with regard for the opinion of leaders of large industrial enterprises.

Their major concern is unpredictability of the currency market rather than the rouble's rate.

Paramonova said the Central Bank would soon make moves to stimulate banks' interest in long-term loans.

She said the Central Bank had introduced minimal norms of mandatory reservation for long-term loans.

However, banks overreport sums which they say they divert for long-term loans but in fact use in short-term, speculative operations. This practice meets a very negative response from the Central Bank.

Paramonova Explains Bank's Telegram, Currency Cuts

LD0707152395 Moscow ITAR-TASS in English 1453 GMT 7 Jul 95

[By Pavel Yerasov]

[FBIS Transcribed Text] MOSCOW, July 7 (ITAR-TASS) — The Central Bank of Russia sees one of its main tasks in cutting the share of cash in the overall money mass, acting governor of the Central Bank of Russia Tatyana Paramonova told a press conference here today.

She explained that the end-of-June Central Bank telegramme which told enterprises and organisations to return all excess cash to banks had been prompted by this task.

Traditionally, Russia has given much more room to cash in the total mass of account settlements than Western countries, she said. Lately, the Central Bank's efforts to improve the system of non-cash settlements resulted in the lowering of the share of cash in the country's money mass. In May, that share dropped several percentage points from January.

But in the middle of June, the process was reversed, due to a certain extent to the rouble's growing exchange rate. According to Tatyana Paramonova, the specific share of settlements in roubles over settlements in dollars grew particularly fast in trade. As a result, enterprises and organisations accumulated considerable amounts of cash in roubles, which however, was not returned to banks forcing the Central Bank to issue more cash.

It was under these circumstances that the Central Bank issued its telegramme of instruction which, according to Tatyana Paramonova, was falsely and unprofessionally interpreted in the media.

The Central Bank meanwhile secured the return of some 2.7 trillion roubles in cash as well as additional revenue towards all kinds of budgets. The above amounts had earlier not appeared on bank accounts and no respective taxes had been deducted or paid.

The Central Bank has advised the government on a number of additional measures designed to improve accounting and the process of regulating cash circulation on the territory of the country. Its advice is being considered and is likely to be put into life soon in the form of additional accounting standards to be applied in cash circulation.

Concomitantly, work will continue to improve the system of non-cash settlements, including through wider use of plastic cards.

Two new deputy governors of the Central Bank were appointed last week. Igor Dubrovo and Mikhail Senatorov will be in charge of better use of computers, information science and telecommunications in the sphere of non-cash settlements.

Paramanova Promises 'Stable' Exchange Rate

LD0807153395 Moscow ITAR-TASS in English 1503 GMT 8 Jul 95

[By Igor Ignatiyev]

[FBIS Transcribed Text] MOSCOW, July 8 (ITAR-TASS) — Tatyana Paramanova, acting governor of the Central Bank of Russia, assured the press today that the rouble exchange rate against the dollar will remain stable within the band announced on July 5 (4,300 to 4,900 roubles to the dollar) until October 1.

Tatyana Paramonova who was addressing chief editors of Russia's leading economic publications here today said work done by the Central Bank in recent months to accumulate currency resources and constrain the money mass growth created the possibility of keeping the rouble stable against the dollar for the next three months.

Paramonova said the average monthly rate of growth of the money mass in Russia in 1994 amounted to 10 percent, while in the first half of this year, it was around seven percent a month, according to preliminary data.

She said money emission is now carried out on a qualitatively new level — the new notes are backed up with hard currency or gold. "We haven't had a situation like this for about 50 years," Paramonova said.

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She expressed firm confidence that the Central Bank will keep under control the situation on the currency market, even though it will be a difficult task to accomplish because "everything will depend not only on us."

"The situation will get worse if the government fails to solve the problems of its agrarian sector and of food deliveries to the country's northern areas," Paramonova warned.

Overview of Ruble-Dollar Exchange Rate Peg

MM1007084595 Moscow ROSSIYSKAYA GAZETA in Russian First Edition 7 Jul 95 p 2

[Article by A. Yevgenyev: "Currency Market Becomes Predictable"]

[FBIS Translated Text] So, since yesterday boundaries have been set for the alteration of the ruble exchange rate on the exchange and interbank currency market. Through 1 October its cost will fluctuate within the limits of 4,300-4,900 rubles [R] for one U.S. dollar.

As the joint statement of the Russian Government and Central Bank notes, this has been done to ensure stability and to protect Russian producers and the population. The Russian currency market is acquiring the important quality of predictability. The participants in foreign economic deals can now build their work more confidently without putting aside a certain percentage as "insurance" against drastic currency leaps. Private holders of dollars, marks, yen, and other foreign currencies will also feel far more at ease — the state guarantees them against cataclysms on the exchange. At the same time, the decision of the government and Central Bank to some degree cuts the ground from under the feet of those financial structures which have made their wealth on leaps in the currency exchange rate.

It is worth stressing that the procedure for buying and selling currency is not changing. The market remains the market.

Let us note that the first reaction to the decision of the government and Central Bank is, as a whole, favorable. Thus Yegor Gaydar has stated his agreement with it — adding that it could have been made even earlier. Grigoriy Yavlinskiy also considers this step entirely justified, meanwhile, it is true, voicing his opinion over the designated limits for fluctuations of the ruble. As if in response to the "Yabloko" leader, Prime Minister Viktor Chernomyrdin noted yesterday, opening the government session, that as financial stabilization strengthens, we can examine the question of the transition to a narrower corridor." ITAR-TASS has reported that the head of government has voiced the conviction that the step which has been taken to fix the exchange rate will directly promote the slowing down of the rise in prices on the domestic market in the second half of this year.

Viktor Chernomyrdin also sees political advantages in linking the ruble to the dollar's floating exchange rate. Financial stabilization will undoubtedly have a restraining influence on political passions prior to the elections. Moreover, he believes that those who took billions of dollars abroad will seriously think of returning them to Russia. "The implementation of measures stemming from the government and Central Bank decision will proceed within the framework of the quite tough budget and monetary and credit policy course pursued since the start of the year by the Government," the Russian prime minister stressed.

New State Securities May Boost Savings Rate

MK0807103095 Moscow SEGODNYA in Russian 8 Jul 95 p 2

[Report by Elmar Murtazayev under the "Expert View" rubric: "New Kind of Securities May Become a Secure Means of Saving Money — If the Government Manages To Curb Inflation Rate"]

[FBIS Translated Text] Yelena Podvinskaya, a Financial Institute expert, candidate of economic sciences, in an interview to your SEGODNYA correspondent has called the new securities for individuals — paper with constant profitability higher than the inflation rate — planned to be issued by the government, as a timely and very useful measure. In her opinion, state securities of this kind will help solve two urgent economic problems simultaneously. First, the government will create a new noninflationary source of budget replenishment, and, second, a normal mechanism of saving money will emerge.

It will be recalled that, in accordance with the statement by Deputy Economy Minister Vladimir Kosov, the next move, after the government and the Central Bank have made the decision to impose a "flexible currency band," will be the issue of "new-type securities for the population, with constant profitability higher than the inflation rate." According to Mr. Kosov, such securities are to guarantee people interest higher than the annual inflation rate, and the profitability level of such securities could be 3 to 5 percent. Commenting on the government's intentions, Mrs. Podvinskaya said, however, that the future of these securities will depend on the ability of the Central Bank and the government to maintain a rigid financial policy course. If inflation "breaks loose," in her opinion, it will be very difficult for the government to fulfill the obligations taken. Nevertheless, Mrs. Podvinskaya said that if inflation

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remains at its present level (according to the Central Bank data, the inflation rate in June was 6.8 percent), the new securities can become an important source for budget replenishment. To support this, she gave some facts on the volume of saving in the country: By April 1995, total deposit accounts of individuals amounted to 36 trillion rubles (22 trillion in Sberbank and 14 trillion in commercial banks).

On the situation with the Russian share market, Mrs. Podvinskaya said that she regards the government's forecasts concerning the forthcoming boom in portfolio investments as quite well-grounded. In her opinion, today, purchasing shares is probably the most elaborated and reliable investing method. In addition, portfolio investments are always a kind of precursor to direct investments into the economy. "Any investor prefers first to become an owner of an enterprise, and then to develop its production activities," the expert said.

Accord Signed To Upgrade Gas Pipeline Network

MK0807125095 Moscow KOMMERSANT-DAILY in Russian 8 Jul 95 p 9

[Unattributed report under the "Journal" rubric "'Gazprom' Wins EBRD's Backing"]

[FBIS Translated Text] KOMMERSANT-DAILY has learned that the Gazprom state joint-stock company and the European Bank of Reconstruction and Development signed a protocol of cooperation for a period from 1996 to the year 2000 in Helsinki 4 July. It follows from the agreement that the bank will invest in the Russian concern's programs about $700 million a year. The Gazprom state joint-stock company needs such infusions in order to carry out the repair and reconstruction of gas pipelines. Gazprom is due to receive the first EBRD loan of $300 million (that is, 50 percent of the average annual investment volume) this fall. Recipients of the loan will apparently include Gasum, a joint venture set up by Gazprom and Finland's Neste, which plans to invest over $160 million before the end of the year to build a new gas pipeline and compressor stations. The announced sale of 9 percent of Gazprom's stock to Western companies (ENI, Conoco, Texaco, and British Gas mentioned among possible buyers) has caused uncertainty about the prospects for developing the joint venture in Finland and changes in relations between the Russian state gas company and Neste. Vyacheslav Sheremet, deputy chairman of the Gazprom board, clarified, however, that the sale of the company's stock via Kleinwort Benson Group would not affect Gazprom's operations in Northern Europe. EBRD Vice President Guy de Sillier said the bank has been studying for two years the state of the concern's gas transportation system and its requirements for improvement.

Review of Debt Negotiations With London Club

LD0707155195 Moscow ITAR-TASS in English 1436 GMT 7 Jul 95

[FBIS Transcribed Text] MOSCOW July 7 (ITAR-TASS) — By all indications, neither of the sides have been satisfied with the results of the negotiations in Frankfurt-on-Main between the Russian delegation and the London club uniting some 600 Western creditor banks.

The preliminary agreement about restructuring of the Russian debt of 25 billion dollars over 25 years "can make one optimistic, but there is no certainty that Western creditors will agree to the Russian delegation's proposal for a preferential regime of annual payments", a high-ranking official of the Russian Finance Ministry told ITAR-TASS.

Unless the London Club accepts Russia's terms for the repayment of the debt, Russia may have to disrupt indefinitely the debates on the repayment of its debt, the official said.

In Frankfurt-on-Main, the London Club continued to insist that the annual interest on the Russian debt make up 7-8 per cent. It endorsed in principle the Russian idea of a 25 year term for the debt repayment. The Russian side suggested to proceed from 1.5 per cent annual interest and is ready for the countdown from the signing of the agreement on restructuring. Western creditors, meanwhile, insist that the term be counted from 1991 when the USSR Bank for Foreign Economic Activity, which was proclaimed insolvent, stopped the payments on the earlier received credits. Western banks wish the payment of interest reach the peak much sooner than the Russian side proposes.

The West's real aid to democratic reform in Russia can be manifested in "the understanding for the difficulties of the transition period in Russia", the official said. The demand of the London Club to keep annual interest at 7-8 per cent will strain the Russian budget and, in the long run, may lead to the further deepening of Russia's economic crisis and depriving the process of reform of financial base", the representative of the Finance Ministry said.

The Russian government now discusses the idea of drafting a letter to leaders of Western countries to ask them to show understanding for the stand of the Russian side at the talks with the London Club, the official said.

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Belyayev Urges Privatization of Industries' Land

MK0807100095 Moscow SEGODNYA in Russian 8 Jul 95 p 2

[Report by Aleksandr Pozdnyakov under the "Conference" rubric: "Government Promises To Change Rate of Privatization. Sergey Belyayev Vouches That Sale of Plots of Land 'Occupied By Enterprises' Will Be Accelerated"]

[FBIS Translated Text] Sergey Belyayev, chairman of the State Committee on the Administration of State Property, who was speaking during the opening in St. Petersburg of a scientific methods conference entitled "Privatization and Development of the Real Estate Market," has said: "Despite all the talk about too rapid a pace of reform, the privatization of industrial enterprises in Russia has been proceeding too slow in the past three years." In his words, the government now has set itself a task to hasten privatization to enable the solution of several fundamental problems, the most important of which is the selling of plots of land occupied by private enterprises.

Mr. Belyayev advised that during the coming year the government intends to step up the sale of government-reserved blocks of shares in industrial enterprises. Out of approximately 10,000 blocks owned by regional property funds, more than 3,500 have been sold, and this rate is not going to decline. Besides, in Mr. Belyayev's words, the government has prepared a list of enterprises whose blocks of shares are not on sale yet: "This list includes all in all 3,045 enterprises all over Russia — fortunately, this is not so many."

One of the main difficulties the authorities are coming up against in the course of the second stage of privatization of industrial enterprises is that, in revaluing the fixed assets of enterprises, the price of their shares increases by an average of 350 times, which makes them hard to sell. Therefore the government has to raise the price of shares 35 times against their nominal price, which corresponds with the possibilities of Russian investors. Mr. Belyayev believes that the second stage of privatization, too, is not going to be very profitable for the state. However, the government intends to sell, before year end, blocks of enterprises' shares worth nearly 19 trillion rubles.

The question of privatization of land taken up by enterprises that have gone private, participants in the conference think, has been solved in the best way in St. Petersburg. Mr. Belyayev believes it would be a good thing to use the St. Petersburg experience in the rest of Russia. According to St. Petersburg government figures, in the first three weeks of June, 600 city enterprises applied for privatization of land and 200 have already processed all the documents necessary for receiving land owner certificates.

The conference participants, who included the directors of major privatized enterprises of St. Petersburg, the Northwestern region, and others, agreed that if a plot of land is sold to the industrial enterprise that stands on it at a price 10 times more than the annual rental charge, this is fair enough and it solves the problem rather quickly. Mr. Belyayev promised that the government may soon decide in favor of transferring land to enterprises in payment of state order debts.

It was generally agreed at the scientific methods conference that the clear leaders in privatization of industrial enterprises in Russia are St. Petersburg, Yekaterinburg, Nizhniy Novgorod, and Samara. According to Mr. Belyayev, the experience of the most active city authorities in the field of privatization will be closely studied by the federal authorities, with the most valuable to be accepted for use in the rest of Russia.

Role of Wages in Average Family Budget Declines

MK0707133095 Moscow SEGODNYA in Russian 7 Jul 95 p 3

[Unattributed report: "Wages Account for 40 Percent in Family Budget of Russians"]

[FBIS Translated Text] The role of wages in the budget of Russian families has declined, over the past year, almost by 15 percent; its share in a family budget today is only 40 percent. This was announced at the Russian Federation Ministry of Labor. According to experts, "Russians are obliged to patch up the holes in family budgets by taking other jobs, trading in securities, and using other stratagems that may come to mind." In the period before the start of reforms in 1992, the share of wages in a family budget topped 70 percent. The real wage of one worker has fallen 29 percent and its purchasing power 40 percent over the recent year.

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International Affairs

Kuchma Speaks on Germany Trip, Current Topics

LD0907140195 Kiev UT-1 Television Network in Ukrainian 1840 GMT 8 Jul 95

[News conference by President Leonid Kuchma with unidentified correspondents in Kiev on 8 July — recorded]

[FBIS Translated Excerpt] [Kuchma] Esteemed journalists, esteemed audience. As you know, I paid an official visit to the Federal Republic of Germany between 3 and 6 July at the invitation of President Roman Herzog. Negotiations were held with Chancellor Helmut Kohl; President Herzog; Klaus Kinkel, vice chancellor and minister of foreign affairs; Finance Minister Theo Waigel and other statesmen; politicians; bankers; and entrepreneurs representing leading German companies. [passage omitted]

Assessing the political results of our negotiations with the German leadership, one can state that a breakthrough has been made in bilateral relations. I do not really like the term, but I have not managed to find a better one. These relations have reached a new level and acquired the nature of partnership. We highly appreciate Helmut Kohl's statement that Germany is interested in an independent, stable, and wealthy Ukraine and will render necessary assistance as far as possible, encouraging other members of the G-7 and the European Union to do the same. A concrete expression of this policy was Helmut Kohl's proposal to send a high-ranking delegation of German ministerial officials to Kiev this autumn to negotiate a number of specific programs, particularly in the sphere of industry and finance.

The economic achievement of the visit was the signing of an agreement on the avoidance of double taxation. This is the first agreement of this kind to be signed between Germany and a country of the former Soviet Union. To us, it is a crucial step which removes considerable obstacles in the way of bilateral trade and German investment into the Ukrainian economy, which in the long run benefits Ukrainian citizens and individual consumers whom our foreign economic policy is intended to serve.

As a result of my conversations with German leaders and business people, I came to the conclusion that German capital hopefully will flow to Ukraine. And this in turn will mean new jobs and favorable social effects. [passage omitted]

We put particular emphasis on investments, joint ventures and joint projects, because we do not want to leave the burden of debts to our next generations and our children. Our German colleagues understand this approach, regarding it as a kind of help to help ourselves, and are prepared to assist us. As part of this assistance, a stabilization fund has been allocated to Ukraine to implement its monetary reform. We have secured Germany's support for a favorable decision in this matter by the board of the International Monetary Fund.

We attached special significance to an exchange of views on the problem of Ukraine's losses in foreign trade as a result of various restrictions. Thus, there are 34 restrictions applied to Ukraine's trade with the European Union in textiles. The abolition of tariff preferences on textile products greatly diminished the possibility of expanding production in, first of all, Western regions of Ukraine where German firms intended to invest in the sector. Another unpleasant thing trailing behind Ukraine is the European Union's anti-dumping procedures against the import of Ukrainian goods, dating back to the Soviet period. Germany, a country with clout in the European Union, can play a special role in removing these barriers, and it has expressed readiness to help us in solving the above problems. [passage omitted]

We confirmed our intention to decommission the Chernobyl nuclear power station by the year 2000, emphasizing that Ukraine expects, with Germany's support, considerable assistance from the G-7 and the European Union. [passage omitted]

I would like to inform you that during the visit we also discussed a number of sensitive issues of a bilateral nature, including cooperation in the upkeep of war graves, repatriation of art items lost or displaced during World War II, and the settlement of ethnic Germans returning to Ukraine. [passage omitted]

Here is another touch to the outcome of the German visit. Chancellor Helmut Kohl and I agreed to maintain a regular political dialogue. He was pleased to accept my invitation to visit Ukraine, and I hope he will pay this visit next spring. Those journalists who accompanied me heard the chancellor confirm that he intended to make that trip. I also extended an invitation to visit Ukraine to President Herzog and the premier of Bavaria. This was not my first meeting with Chancellor Kohl, and I appreciate the frank and good- humored nature of our relations. It is pleasant that this visit has deepened our personal relationship, and I hope to strengthen it in the future. Now I am ready to answer all your questions.

[Unidentified correspondent] Esteemed Mr. President, the day after tomorrow will mark one year since you won the presidential election. Various assessments have already been made and still more assessments will be

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made, but I would like to hear from you personally: What do you regard as your achievements and failures?

And one more question: When will your Russian counterpart be able to visit Kiev in order to sign the treaty which has been talked about since October?

[Kuchma] As regards to the first question, I will see what you write in the press and then, on 22 August, I will deliver a report devoted to the anniversary of Ukraine's independence. So, you have a chance of saying everything you think about me — you are welcome.

As regards to the second question, I have just had a conversation with Boris Yeltsin. We have reached an agreement with him, as far as his visit is concerned, that a Ukraine delegation, led by Prime Minister Yevhen Marchuk, will in the near future pay an official visit to Russia to consider all questions raised by Russia. The main thing is to deepen our economic relations, to solve numerous economic problems which exist today. They should be signed at the interstate level, at the level of heads of state. This also includes the setting up of some financial and industrial groups — whatever we call them. Both Marchuk and Chernomyrdin will propose a specific date of Boris Yeltsin's arrival in Ukraine. Yeltsin said he was actually ready to do this. Let us wait until Marchuk pays a visit to Russia and then we shall know the specific date. Thanks. [passage omitted]

[Unidentified correspondent] What place will Viktor Pynzenyk occupy in the government?

[Kuchma] I said this in Germany, and on the same day I was already reading reports coming from Ukraine, and I would like to confirm it here, in your presence, that I am not going to get rid of Viktor Pynzenyk whatsoever, not in the least. What I just wish is that he should really tackle specific issues of reforming our economy, so that he does not divert his attention to issues of miners, machine-builders, agricultural workers and so on. He should be a free person, as they say, and his mind should be set on one thing only. And the post which he actually holds now, which deals with issues of the economic reform — he will continue to deal with this [as heard]. [passage omitted]

[Unidentified correspondent] Almost one month has passed since you signed the Sochi agreement. It has become known from the media that at future negotiations Russia will insist on a 25-year-long stay of its fleet in Ukraine. And what is Ukraine's stand, has any stand been taken by Ukraine?

[Kuchma] I would not like to talk today about the terms of the Russian Navy's presence on the Black Sea, in Sevastopol in general. But I believe it will not be a short one. How long will it last? Please give us time to think and take a decision. And from the economic point of view... [pauses] because you know that if someone takes something on a short-term lease, this only does harm, because the leaseholder is only engaged in ruthless exploitation of everything that is taken on lease. But under a long-term lease the leaseholder is obliged to invest funds in other spheres, the social sphere included. If we could solve the problem with a wave of a wand — just wave it and there is no Black Sea Fleet or something else tomorrow.... [changes thought] The Ukraine president is not a magician, I am just training to be a magician. So let us wait. The main thing is that all issues should be resolved in Ukraine's national interests. I would like to assure you that this is exactly how this will be done.

[Unidentified correspondent] Many politicians express their dissatisfaction with the first wave of reshuffling in the Cabinet of Ministers. In particular, there are views that the first steps show that there are intentions to reform the government's structure profoundly. And, in the opinion of many people, this is very important.

[Kuchma] I am also dissatisfied with many decisions which we are taking now with Marchuk, including those concerning personnel issues. You are well aware that the reserve of candidates to the government posts is too limited and we are stewing in our own juice, transferring people from one post to another. This is our lot, unfortunately, and one should blame the situation that has taken shape here, not Ukraine. Much time is required to train our national cadres. And we should not spare money for this — it is necessary to send people to higher schools of learning in other countries, and we receive such offers. And if they shout about someone from Ukraine studying somewhere, hopefully nothing will become of those who study — they will return to Ukraine. The whole world is now practicing this. [passage omitted]

As far as structural changes are concerned, I would not fully agree with you, because time is needed for this, for adopting a balanced decision. And I would like Marchuk to have this time. Nobody is exerting any pressure as regards the government's structure as a whole. But, as you see, the newly elected premier is not in charge of the industry but in charge of the industrial policy. This is the first and the main thing. Then, we are cutting down the number of various committees and ministries. We shall radically reform the apparatus of the Cabinet of Ministers. We shall completely remove one link in the chain connecting ministers with the prime minister.

[Unidentified correspondent] As is known, Moldova's President Mircea Snegur and Igor Smirnov, leader of

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the Dniestr region, proposed that you mediate in [word indistinct] relations between Kishinev and Tiraspol. What is your attitude to the proposal and what [words indistinct] in this connection? This is the first question and the second question is: A commission investigation of the causes and consequences of the tragedy that took place as a result of the Crimean Tatar riot was supposed to return from Crimea earlier this week. What conclusions have been made by the commission?

[Kuchma] Ukraine should play a more active role in solving the Dniestr region problem. And we are glad that Moldova has turned to us, because it views our country as a serious partner. We have a positive, in principle, attitude to this and we will shortly send a delegation to Moldova, which will consider all issues concerning Ukraine's specific participation.

The conclusions made by the commission, which has returned from Crimea, I cannot give you final results, because yesterday Marchuk was listening to that commission's report. Today, I will meet him and he promised to inform me of the conclusions drawn by the commission, but he told me in brief over telephone that there are many problems, indeed, that need to be solved, including problems of interethnic relations. He said he was absolutely dissatisfied with the activities of our Ministry for Nationalities, Migration, and Cults. There are purely economic problems. And you are also well aware that the more aggravated the situation is, and no matter how hard law enforcement bodies work, it will be too difficult to settle all this, therefore these problems and the problems of the Tatar population should also be tackled. [passage omitted]

We all should work on a new state constitution, and it should be adopted at a referendum not later than next spring. I say: Not later than spring next year. And I believe that we have all possibilities for this, and the president will definitely initiate this process. [passage omitted]

[Unidentified correspondent] What are you planning to do during your visit to Belarus? Are there any specific cooperation projects? And can you tell us about the new cabinet appointments? Is there a place for Pavlo Lazarenko in the central executive office?

[Kuchma] The main thing we are going to do in Minsk is sign a long-term treaty on friendship and cooperation. It is exactly the kind of treaty we are planning to sign with Russia. You see, we have much fewer problems with Belarus, there is no problem of dual citizenship or the Black Sea fleet or borders standing in the way. So the main and very positive plan is to sign the treaty. After that, of course, there are many issues we need to discuss with the Belarusian president.

As regards Pavlo Lazarenko, yes, there is such a proposal, and Marchuk has actually nominated Lazarenko as first deputy prime minister. There is no final decision yet, for several reasons. The main reason, as I told Yevhen Kyrylovych at once, is that I don't want any fingers pointed in my direction for promoting people from Dnepropetrovsk. Actually, he comes from Chernigov Province. But that is not important. Another thing is that Dnepropetrovsk Region ranks first in Ukraine's exports, accounting for 26 percent of the total export volume. And we all know that today Dnepropetrovsk region is slightly better off than other regions, that there is a government there, and that Lazarenko is keeping the situation under control. And if we take a look at other nominees, I am not sure we will not lose more than we gain.

Lazarenko is not the only option being considered. I would like to say that the head of the Poltava Administration was also nominated for a government position, deputy prime minister for the fuel and energy complex, although he was mentioned in the media as a candidate for another post. We will indeed keep this sectorial post in the government, because power engineering is the top priority today. It is a priority for our survival as a state. And there are so many problems, starting from nuclear engineering, the Chernobyl problem, safety at nuclear power stations, and down to thermal power engineering. We must attract the world's attention to this particular issue, because we are still in the 19th Century here, and we are making too many losses. In Germany alone there are highly modern coal-powered thermal stations. And we have enough coal to last for 400 years. If we find an investor, think of a way to attract foreign investors, we can use the Dnepropetrovsk Region basin in the Verkhnedneprovsk area, the richest deposits of brown coal only meters below the surface. That is our salvation. Next is the coal industry itself, oil, and gas. Yesterday, I received a proposal in the post for the development of oil and gas deposits in the Kerch Gulf. By all estimates, there are enormous deposits there, but as you understand they will take a wealth of funds and technology to develop. So we need a person who would oversee all this together and attend to these problems every day. But, unfortunately, Zaludyak declined the offer, and yesterday I endorsed his appointment as the head of the Poltava province administration. [passage omitted]

[Unidentified correspondent] How would you assess the efficiency of the Supreme Council on the economic legislation package?

[Kuchma] I think cooperation in this area has improved greatly. We can see that the issues of economic reform are at the top of the Supreme Council's list, and

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this is very good. I hope it stays that way. I think, as I said in Transcarpathia, we need to talk about setting up the higher economic council, which I will discuss with Supreme Council Chairman Oleksandr Moroz when he returns. It would be an advisory council incorporating the Supreme Council leadership, mainly people from the economic commissions, and executive officials, and this would be a very positive solution to the problems in the relations between the executive and legislative authorities. I would like to reiterate that disputes between the two power branches will never do any good, either for the president or for the Supreme Council. The fewer they are, the sooner we understand that we must work together along the same lines, the better. But if the Supreme Council leadership puts itself in opposition to the president's economic policy, there will be of course no cooperation. We must understand that.

[Unidentified correspondent] You reinstated the prosecutor general. Is it because his dismissal was a violation of the constitutional treaty or because you also disagree with the Supreme Council's appraisal of the Prosecutor General's Office?

[Kuchma] I am not pleased with the performance of the Prosecutor General's Office. But there is a constitutional treaty and it should be strictly adhered to by both power structures. Had the Supreme Council made its decision in accordance with the Constitution and the law, and asked the president, on the basis of the commission's conclusions and the Supreme Council's decision, to nominate another prosecutor general, I think the president would have no reason to ignore the Supreme Council's opinion. Second, in this situation, I strongly believe that this Prosecutor General's Office and this prosecutor general should complete the investigations that they have started. Because there are many people today who seek to put a lid on these cases. And that is already one of the reasons why people do not trust us. In fact, if you look at the statistics, the law enforcement bodies are doing a good job, but then these cases get stuck in the prosecutor's office for a year and nothing happens. Do you think under these circumstances there can be any trust in the entire power system in Ukraine? No. That is why, the esteemed prosecutor general should complete all the investigations and answer all the questions anyone might have. Then we shall think about it. [passage omitted]

[Unidentified correspondent] The Supreme Council plans to discuss the Constitutional Court. Does that mean you will submit nominations? And another question, is there a need for a law on the status of foreign troops, and will it be passed before the Russian-Ukrainian treaty is signed? If the Supreme Council does not plan such a law, will it be your legislative initiative which by law has to be considered without delay?

[Kuchma] Yesterday, I signed a letter to the Supreme Council containing a list of presidential nominations to the Constitutional Court. We should therefore expect Ukraine to have a constitutional court in the near future. Previously, while there was no clear idea about the Constitution and the laws, I did not think a constitutional court had any chance of productive activity.

Yes, I think there should be a law on the status of foreign troops. As for the way we shall settle the issue with Russia, and I understand you mean the Black Sea fleet, I cannot give you a straightforward answer to that today. But it is clear as day that we should have definite rules within our legislation. After the Sochi summit, and the visit to Germany, I saw that the world reacted very favorably to all of these decisions. If we continue to work together with Russia in this way, instead of nourishing antagonism, both Ukraine and Russia will only benefit.

[Unidentified correspondent] Can you confirm that Poland and Ukraine are planning a political alliance to counterbalance the close association between Russia and Belarus?

[Kuchma] Poland is a very good neighbor. President Walesa and I share an excellent relationship and identical views on many problems. But I would like Europe to have fewer alliances against one another. Let us create a united Europe, and this is what I as president will work for.

Kuchma on Poor Implementation of German Agreements

LD0807191895 Kiev UNIAN in Ukrainian 1140 GMT 8 Jul 95

[FBIS Translated Excerpt] Kiev — "Ukraine's relations with Germany have made a breakthrough and are acquiring a partner-like nature," Ukrainian President Leonid Kuchma told a news conference on his recent visit to Germany. [passage omitted]

He said, however, that some Ukrainian officials lacked a sense of responsibility, which affects Ukraine's international standing. "Not only intergovernmental, but local issues are often not resolved," he said.

The president added that he had ordered a review of the implementation of all Ukrainian-German agreements. The presidential control service is investigating the implementation of all agreements signed during official

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visits. Measures will be taken against certain officials responsible for the unsatisfactory implementation of international agreements. They will "face liability," Kuchma said.

Defense Minister Meets Perry, Views Conversion

WS1007111995 Kiev INTELNEWS in English 0133 GMT 10 Jul 95

["Special to INTELNEWS" by Valeriy Korol]

[FBIS Transcribed Excerpt] Kiev, July 9 — The Ukrainian military delegation headed by Defense Minister Valeriy Shmarov continued its United States visit over the weekend, spending the last several days becoming acquainted with the training system of American servicemen.

According to the Defense Ministry, Shmarov "highly assessed" the capabilities of the U.S. Land Forces training center for command-staff officers in Fort Knox, Kentucky.

While visiting Fort Knox, Shmarov and U.S. Defense Secretary William Perry took part in computer simulated military exercises in which both senior defense officials performed in one crew. Perry was a commander and Shmarov a gunner.

The Ukrainian delegation also visited a converted military enterprise belonging to California's Packard Bell company, which presently produces computer equipment. "The experience of American colleagues is of great interest since the conversion of Ukrainian military enterprises is still to be done," said the Defense Ministry. [passage omitted]

Transfer of Exhausted Nuclear Fuel to Russia Resumes

LD0807181095 Kiev UNIAN in Ukrainian 1440 GMT 8 Jul 95

[FBIS Translated Text] Kiev — The transfer of exhausted nuclear fuel from Ukrainian nuclear power stations to Russia has been resumed, Nur Nihmatullin, first deputy chairman of Ukraine's State Committee for the Use of Nuclear Power, told UNIAN.

Transfer of the exhausted fuel to Russia for burial, which was banned by Russian legislation, has become possible due to a special decision by Russian President Boris Yeltsin.

It is envisaged that glazed remains of nuclear fuel, recycled at a plant that is to be built near Krasnoyarsk, will be returned to Ukraine. Until then, the exhausted nuclear fuel from Ukrainian nuclear power stations will be kept in storage near Krasnoyarsk.

Over 4,000 exhausted nuclear cassettes have been piled up at Ukraine's nuclear power stations [NPS] (except for the Chernobyl NPS). To solve the problem, it would be expedient to see to it that Ukraine has its own storage site rather than send nuclear fuel to Russia, Nihmatullin said.

The first such storage site is under construction in Zaporozhye region. UNIAN has been informed at the station that the project, worked out by the U.S. company "Duke Engineering," is being examined at the Ministry of Ecology and Nuclear Safety of Ukraine. Its construction can be launched this year, otherwise two generating sets will have to be stopped every year, beginning in 1996, due to the absence of room for exhausted fuel.

The first truckloads of exhausted fuel have been dispatched to Russia from the Zaporozhye and the South-Ukrainian nuclear power stations.

Foreign Minister's Visit to Israel Previewed

LD1007062395 Moscow ITAR-TASS in English 0508 GMT 10 Jul 95

[FBIS Transcribed Text] Kiev, July 10 (Itar-Tass) — A Ukrainian government delegation, led by Foreign Minister Hennadiy Udovenko, leaves for Israel on Monday for a three-day official visit.

Udovenko is to meet with Israeli President Ezer Weizman and Prime Minister Yitzhaq Rabin, hold talks with his Israeli counterpart Shim'on Peres, and sign bilateral agreements.

The Ukrainian Foreign Minister and the delegation members are to call on the Knesset, discuss topical problems with leading businessmen and industrialists who show interest in deeper cooperation with Ukrainian partners.

The delegation members are to tour a number of economic facilities and meet with ethnic Ukrainians.

National Affairs

Reportage of Kuchma News Conference in Kiev

Views Composition of Government

LD0807133795 Moscow ITAR-TASS in English 1328 GMT 8 Jul 95

[By Mikhail Melnik]

[FBIS Transcribed Text] Kiev, July 8 (Itar-Tass) — "I did not like the previous government, nor am I pleased with the new one which I helped to form," Ukrainian President Leonid Kuchma said.

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At the same time, he told journalists at a news conference in Kiev on Saturday that he had chosen professionals who are capable of implementing his market reform programme.

Kuchma said he was satisfied with the deal signed with the parliament which allows him to chose members of his government, both in Kiev and in regions. "Now we have a clear-cut vertical structure of power in the country. This will allow us to restructure our economy more effectively," he said.

The president confirmed that Viktor Pinzenik will carry on as first vice-prime minister in charge of economic reform. "I will relieve him of all other auxiliary functions so that he could concentrate his mind and talent on how to rescue the country out of its present crisis," he said.

Comments on Further Reshuffles

LD0807162795 Moscow INTERFAX in English 1438 GMT 8 Jul 95

[FBIS Transcribed Text] Kiev, July 8 (Interfax - Ukraine) — The constitutional accord between Ukraine's president and parliament resulted in the completion of forming the republic's executive branch of power, President Leonid Kuchma told a news conference in Kiev Saturday.

Kuchma said he had signed a number of decrees to appoint local administration heads earlier this afternoon.

According to Kuchma, the accord also facilitated the procedure for forming a new government. "I am convinced that all ministers appointed would have been approved by the parliament; however, we do not waste time on their approval, but start working," he added.

Speaking on future government reshuffles, Kuchma said the chairman of the Dnepropetrovsk region council, Pavel Lazarenko, could be appointed as first deputy prime minister.

At the same time, he said he was unsatisfied with the work of the Justice Ministry which "virtually does not exist," as he put it, as well as that of the Prosecutor-General's Office.

Asked about the future of Deputy Prime Minister Viktor Pinzenik responsible for economic reforms, Kuchma said he would like "to leave Pinzenik with the development of the reforms' strategy rather than specific economic problems."

Predicts New Constitution in 1996

LD0807163295 Moscow INTERFAX in English 1438 GMT 8 Jul 95

[FBIS Transcribed Text] KIEV, July 8 (Interfax - Ukraine) — Ukraine's new constitution should be adopted by the spring of 1996, Ukrainian President Leonid Kuchma told a news conference in Kiev Saturday.

Kuchma said he intended "to initiate the process" of adopting the document in the near future.

According to a constitutional accord between the president and the parliament signed last month, a draft constitution is to be developed within a year. Until now, Ukraine has been living to a constitution adopted before the break-up of the former Soviet union, amended and adjusted. [sentence as received]

Kuchma said he had submitted his proposals as to the personal composition of the republic's Constitutional Court for consideration by parliament. The Ukrainian Supreme Soviet is expected to consider the issue next week.

Kuchma Fires Deputy Representative in Crimea

LD0907130795 Kiev Radio Ukraine World Service in Ukrainian 1200 GMT 9 Jul 95

[FBIS Translated Text] The Ukrainian president has issued the following decree concerning certain directives by the Ukrainian presidential representative in the Autonomous Republic of Crimea.

The Ukrainian president's permanent representative in the Autonomous Republic of Crimea issued a number of directives that do not conform to Ukrainian legislation. A directive of 31 October 1994 promotes the post of deputy presidential representative in the Autonomous Republic of Crimea to the second category of civil servants. Considering the above and in accordance with Article 8 of the law of Ukraine on presidential representation in the Crimean Republic, I resolve to cancel the directive by the Ukrainian presidential representative in the Autonomous Republic of Crimea of 10 October 1994, appointing Maksymov [as heard] as deputy permanent representative of the Ukrainian president in the Crimean republic, the directive of 21 April, and the directive of 31 October 1994 awarding the rank of civil servant, second category to Maksymov, as ones that do not conform to Ukrainian legislation.

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Deputy Premier Leaves Post in Cabinet Reshuffle

LD0707192295 Kiev UT-1 Television Network in Ukrainian 1800 GMT 7 Jul 95

[No video available]

[FBIS Translated Text] President Leonid Kuchma issued an edict releasing Anatoliy Dyuba from the post of deputy prime minister following the resignation of the Cabinet of Ministers.

Kuchma Introduces New Appointees to Staffs

New Interior Minister

LD0707165995 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 7 Jul 95

[FBIS Translated Text] Today, Ukraine's President Leonid Kuchma got down to work and introduced Yuriy Kravchenko, the newly appointed leader of the Ministry of Internal Affairs, to the ministry's leading personnel. Kravchenko's high professionalism and many years of experience in law enforcement bodies were stressed.

The president overall favorably assessed the activities of the power bodies aimed at combating crime and other offenses. He urged the ministries to exercise closer interaction, especially with regard to the protection of Ukraine's economic interests.

This cause is extremely important for the normal pace of reforms, Kuchma emphasized. Among other things, he singled out the need for law enforcement bodies to concentrate their efforts on the preservation of this year's harvest. The head of the Ukrainian state showed understanding of a proposal by the Ministry of Internal Affairs to the effect that the financing of the ministry should be increased.

New Security Service Chief

LD0707171795 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 7 Jul 95

[FBIS Translated Text] Today, Ukraine's President Leonid Kuchma introduced new chief Volodymyr Radchenko to the personnel of Ukraine's Security Service.

Having emphasized that the Security Service of Ukraine has a great intellectual potential and is doing a great deal of work required by the people and the state, Kuchma expressed dissatisfaction with the fight against organized crime. The president referred to the more efficient interaction between the Security Service, the Ministry of Internal Affairs, and the Prosecutor General's Office as a way of stepping up the activities of law enforcement bodies along these lines. In the president's opinion, the appointment of news leaders of the power-wielding bodies is intended to contribute toward that end.

Newly Elected Crimean Speaker Leans Toward Kiev

MK0807101095 Moscow SEGODNYA in Russian 8 Jul 95 p 1

[Report from Simferopol by Viktor Yadukha under the "Peninsula" rubric: "Crimea Leadership Retakes Its Bearings by Ukraine"]

[FBIS Translated Text] Analysts find it only natural that the team headed by Sergey Tsekov, a resigned speaker by now, who had struck up an alliance with his rivals against Meshkov and Saburov in summer, has suffered a defeat. On having achieved, with Mr. Tsekov's help, the resignation of Yevgeniy Saburov, and on having removed the Crimean president from the political scene, the pro-Kiev lobby secured key positions in Anatoliy Franchuk's government and since last fall started consistently destroying the "patriots" who, caught in the web of their intrigues, had buried the "Crimean idea" with their own hands. The vote of no-confidence, carried in March, served as a prelude to the speaker's resignation in July.

The opponents of Tsekov's presidium spent three months in search of a nominee for a new speaker, and managed to find a person easily predictable, in their view. Yevhen Suprunyuk, chief of the peninsula's Fire Department, elected quite unexpectedly the speaker of the Crimean Supreme Soviet, is likely to make happy all the parties involved. Anyway, both Kiev and Moscow are apt to consider this political figure as a kind of compromise, basing their judgment at least on the new speaker's statement that Crimea must be a "bridge of friendship" between Ukraine, Russia, and other CIS countries. The statement, however, evoked analysts' skepticism: Mr. Suprunyuk is known as repeatedly emphasizing that in his policy, he will be guided by Ukraine's legislation.

Observers are hesitant to forecast how Yevhen Suprunyuk is going to act in respect to Kiev after two or three months. But this will be of no importance, since the victory of the pro-Ukrainian majority has been confirmed by the presidium's new structure. The latter is now elected not on the basis of the parliamentary majority, as before, but on the interfaction basis, with the formal pro-Russian majority of the deputies losing their advantages, in fact.

Meanwhile, the losers are trying to put a brave face on it. Sergey Tsekov is admitting his mistakes publicly and, in an attempt to brace himself up, having joined the "constructive opposition" to the parliament, is promising the journalists to "stand up for the idea."

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Wants All Crimeans To Live Together

LD0907133095 Moscow Radio Rossii Network in Russian 1100 GMT 9 Jul 95

[FBIS Translated Text] Yevhen Suprunyuk, the Crimean parliament's new speaker, has said he will be able to reach an understanding with both Kiev and Moscow. Speaking on local television today he stressed that he is not planning to divide the people of the peninsula into Russians, Ukrainians, and Tatars. I remind you that observers link Suprunyuk's election with a victory for the pro-Ukraine-minded part of the Crimean parliament.

My aim is not to pursue party interests but to raise the well-being of Crimeans on the basis of new economic programm, Suprunyuk said. He also said he is intending to transform Crimea into a bridge that will promote integration among CIS countries.

Purification Plant Accident Causes 'Emergency'

LD0907183195 Moscow ITAR-TASS World Service in Russian 1342 GMT 9 Jul 95

[By ITAR-TASS correspondent Anatoliy Gordeyev]

[FBIS Translated Text] Donetsk, 9 Jul — The emergency situation continues in the Donbass, as a result of an accident at Dikanevskiy purification plant in Kharkov. Flooded a week ago by a brief but powerful downpour, the sewage-farm "disgorged" the muck of the 1.5-million strong city into the Rivers Lopan, Uda, and, most important, the Severskiy Donets, the chief source of drinking water for the Donetsk and Lugansk Regions of Ukraine and partially for Rostov Region of the Russia.

Today it can be boldly asserted that the breakdown is of an all-state character, since several of the most populous regions of Ukraine have found themselves at risk of epidemic at once. Of course, measures to limit the discharge of raw effluent taken in Kharkov made it possible to partially localize the consequences of the disaster. But for ecologists and epidemiologists of the Donbass, the main problem today is the maximum purification of water for household needs, especially as samples taken at filtration stations show 20-30-fold increases in bacteriological pollution.

In view of this, for a week now all organizations and services of Donetsk region engaged in eliminating the aftermath of the Kharkov breakdown have been on full alert. Their actions are coordinated by the civil defense headquarters, which has become the center of the Commission for Technical and Economical Safety and Emergencies. However, so far the commission has had to act on intuition more than anything else, since queries sent to Kharkov about the quantity of effluent discharged into the Severskiy Donets and the results of analysis of water in the epicenter of the breakdown have remained unanswered.

That is why the Donetsk people justly believe the special state commission led by Vasyl Durdynets, the new Ukrainian deputy prime minister for state security and emergency situations, should not observe the progress of overhaul work in Kharkov so much but concentrate on the ecological and epidemic situation in neighboring regions. Moreover, the consequences of the accident could affect the population of Rostov region, as a result of which Russia will be entitled to sue Ukraine heavily.

Accident Threatens Water Supply

WS1007104295 Kiev INTELNEWS in English 0133 GMT 9 Jul 95

["Special to INTELNEWS" by Saya Olyferchuk]

[FBIS Transcribed Text] Kiev, July 7 — Ukrainian officials are taking extraordinary measures to preserve Kharkov drinking water after a devastating sewage accident last week.

"The accident at the Dykansk purification facility is unprecedented in the annals of history, and its elimination will require making extraordinary decisions," Deputy Health Minister Volodymyr Yurchenko said.

The destruction of the engine room and central pumping station at the Dykansk sewage facilities of the Kharkov sewage purification facilities on June 30 polluted the drinking water of the entire city. The accident, which followed heavy rains, could lead to the outbreak of cholera, dysentery and typhoid fever, oblast officials said.

"Our target is to resolve this extremely complicated situation," said Vasyl Durdynets, National Security and Emergency Situations Deputy Prime Minister, on Friday in his address to Kharkov oblast chairman Oleksandr Maselskiy and cleanup operation leaders. "Our aim is to promptly re-launch the central pumping station, to minimize the aftereffects of the accident, to provide aid to the population, to prevent similar accidents in the future, and to carry out a general overhaul of the entire sewerage system."

A powerful pump produced by the UralElectroTeshMash plant was flown to Kharkov from Ekaterinburg, Russia.

The international service EuroEcology donated several Swedish-made pumps to combat the accident, while enterprises in many Ukrainian cities, including Zhytomyr, Kiev, Sumy, Kremenchug, Donetsk and Sevastopol, provided badly needed equipment. The Donetsk

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and Luhansk city administrations are closely cooperating with Kharkov emergency teams.

The Scientific Water Protection Center is cleaning the local Udy and Siverskiy Donets rivers, aerating the water with compressors and decreasing the water pollution by spreading beneficial bacteria into the water which kill dangerous germs. The polluted waters of the Siverskiy Donets river could reach the border with the Russian oblast of Rostov.

Water was shut off to Kharkov residents for three days and special water carriers supply water to residential areas.

Kharkov daycare centers will be closed for two weeks. The state of emergency can drag on for several weeks, halting production at local enterprises and worsening living conditions for residents, oblast officials said.

A government committee announced its conclusions only after pumping out the water from the flooded station and conducting an in-depth examination of the equipment. A Navy squad from Sevastopol arrived in Kharkov to carry out underwater operations.

Economic Issues

Marchuk Comments on Correcting Economic Course

LD0707180895 Kiev UNIAN in Ukrainian 1635 GMT 7 Jul 95

[FBIS Translated Text] Kiev — "A correction of the economic course will not alter the existing policy of reforms, but will just shift emphasis toward production," Ukraine's Prime Minister Yevhen Marchuk said, replying to a UNIAN question at the opening of a regional center of voucher auctions in Kiev.

Marchuk believes that the correction of the economic course will touch, in particular, upon the privatization processes that should become more radical. According to Marchuk, small-scale privatization "got stuck" in the regions. At the same time, the Prime Minister said that he did not envisage any radical correction of large-scale privatization.

In Marchuk's opinion, the correction of the economic course should be reflected in greater attention to the microeconomy and to the production sphere. First and foremost, this refers to a solution to the problem of payments.

Marchuk expressed satisfaction with the state of macroeconomic indices in Ukraine (a stable exchange rate of the karbovanets against the dollar, an essential reduction in the inflation rate down to 5 percent in June, a reduction in the bank refunding rate) that will not be subject to correction.

The correction of the economic course was announced by Ukraine's President Leonid Kuchma in June 1995, when he sharply criticized strict monetary measures taken in the course of the current economic reform.

Deputy Premier Comments on Limiting Budget Deficit

LD0707201495 Moscow INTERFAX in English 1804 GMT 7 Jul 95

["INTERFAX-UKRAINE" news item]

[FBIS Transcribed Text] KIEV, July 7 (Interfax - Ukraine) — Ukraine's Vice-Premier for Economics Roman Shpek believes that a certain correction of the economic policy course announced by Ukraine's President in his speech in Uzhgorod in mid-July "places more stringent requirements on executive power".

Shpek, former acting economics minister, was appointed Vice-Premier for Economics on July 4.

Answering the question from Interfax - Ukraine in Kiev July 7, Shpek reminded that according to President's statement the task had been set to make up for the budget deficit by the National Bank's credits only at two per cent of the GDP.

Under the budget law for 1995, the NBU [National Bank of Ukraine] credits shall cover up the deficit to the tune of four per cent, while 3.3 per cent are to be covered with international financial organizations' credits. The total deficit has been planned at the rate of 7.3 per cent.

Speaking in Uzhgorod, Ukraine's President declared his intention to assist "selectively" the state-owned enterprises crucial to Ukraine's export potential. At the same time, the Ukrainian leadership intends to revise the commitments to the IMF and retain inflation at four-five per cent monthly in stead of one-two per cent as was planned earlier.

"The President ruled out the possibility of a greater deficit", Shpek said. According to him, the remaining part of the budget deficit is to be covered through the issue of government securities.

He described as "positive" the results of the first sales of government securities, emphasizing at the same time, that "the sales volumes were quite modest".

Among his top priorities in the office of vice-premier Shpek named "effective harvesting and preparations for winter" with "the remaining financial stabilization factor".

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Shpek also declared in favor of drawing the cooperation of commercial firms in the supplyof Russian gas to Ukraine. "If there are commercial structures which are ready to buy gas in Russia, preserve it and then sell to consumers — why not to cooperate with them?"

The Vice-Premier also said that he was planning in the near future "to meet with the people working on the premier's report" to be delivered by him in parliament in July this year.

The report is to present the program of the new government named in early July.

Cabinet Orders Implementation of Privatization Decree

WS1007104495 Kiev INTELNEWS in English 0133 GMT 9 Jul 95

["Special to INTELNEWS" by Saya Olyferchuk]

[FBIS Transcribed Text] Kiev, July 7 — The Cabinet of Ministers passed a resolution Friday ordering improved execution of the presidential decree accelerating small-scale privatization.

Only 948 small enterprises were privatized by June, 4 percent of the 1995 target. Local budgets received about KBV [karbovantsi] 500 billion in auction proceeds, less than 1 percent of the year's forecasted earnings from small-scale privatization. As a result, local social programs were suspended and wages to government employees were delayed.

Privatization organs, ministries and local executive committees are unorganized, Cabinet officials said. Local executive committees only formally accepted the decree, but they did nothing to increase small-scale privatization, according to the Cabinet.

The Cabinet criticized the State Property Fund [SPF], Crimean government and oblast executive committees for stalling privatization. The government ordered local governments to report privatization progress by Oct. 1. Regional branches of the SPF will be strengthened with qualified personnel. The small-scale privatization lists must be reviewed by the Antimonopoly Committee and oblast executive committees, the resolution said.

Striking Miners Arrive in Luhansk, Demand Back Wages

WS1007112195 Kiev INTELNEWS in English 0125 GMT 8 Jul 95

[FBIS Transcribed Text] Luhansk, July 7 — More than 200 miners who began striking Thursday arrived Friday in Luhansk demanding that their May wages be paid before July 10 and that their June wages be paid before July 20.

The miners were from the Bilorechenska, Leninka and Lutuhinska mines. When the miners came to Luhansk, they held a charged meeting with Heorhiy Osypa, LuhanskVuhillia association general director, where they made the demands.

Miners said that they sent the same demands, plus an expression of no-confidence, by telegram to the president and prime minister.

On Saturday, a regional conference of strike committees and trade union representatives from all the mines will be held in Luhansk where a decision whether to carry out actions of protest throughout the industry is to be made.

In a related development, Donetsk mining union representatives Friday called for a special session to discuss the non-payment of miners' past-due wages, said Yuriy Mazhan, Donetsk territorial committee deputy chairman.

Donetsk union leaders summoned an extraordinary extended plenum of the Coal Industry Employees Trade Union central committee, Mazhan said. He said the trade unions are anxious that Donetsk miners have not received their wages for May and, in some regions, even for April.

According to Mazhan, this initiative was supported by the council of territorial trade union committees chairmen of Donetsk oblast.

Mazhan also said that the extraordinary extended plenum is likely to be held on July 11.

5.2 Million Tonnes of Foreign Oil Seen by Year End

WS1007112695 Lvov INFOBANK in English 0940 GMT 10 Jul 95

[From the "News Service" feature]

[FBIS Transcribed Text] To create reserves of natural gas for the winter season, additional 17 billion cubic meters of gas must be stored in underground reservoirs, and the Ukrainian Government was instructed to allocate necessary sum from the reserve funds at the July-6 board meeting of the State Committee for Oil, Gas, and Related Industries. As of today, only 5 million cubic meters of natural gas are kept in the reservoirs. To supply domestic consumers with heat and electricity in winter, up to 4.9 million tonnes of heavy oil must be produced at Ukrainian refineries, according to the Committee's estimates. Thus, 12 million tonnes of crude oil is required, including 5.2 million tonnes that must be additionally

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purchased abroad by the years's end. It was proposed to conclude agreements with Russian GAZPROM and the Government of Turkmenistan to supply no less than 15 billion and 7 billion cubic meters of natural gas in the first quarter of 1996, respectively.

UKRGAZPROM was instructed to file necessary documents with the State Committee for Geology and Mineral Resources in order to obtain a license for the development of 23 Ukrainian gas fields. In its turn, UKRNAFTA is to supply no less than 1.7 million tonnes of oil to Ukrainian refineries by the end of the year.

As of June 15, domestic consumers owed 206.3 billion karbovantsi to UKRGAZPROM for gas supplies. Due to such debts, about 20,000 households, including several villages in Ivano-Frankivsk, Ternopil, and Transcarpathian oblasts, were temporarily disconnected from gas mains.

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Belarus

Lukashenka Sums Up Achievements of First Year

LD0907172395 Moscow Mayak Radio Network in Russian 1538 GMT 9 Jul 95

[FBIS Translated Text] Tomorrow will be exactly one year since Alyaksandr Lukashenka became the first ever president of Belarus. On the eve of the anniversary he held a news conference and gave his assessment of how the republic has fared in that period. You will now hear an excerpt from the speech made by the Belarusian head of state.

[Begin Lukashenka recording] There has never been a more difficult period in my life than this past year. For example, it was quite scary when I met people while visiting various towns and heard them say: Alyaksandr Rygoravich, we voted for you. They did not say it to reproach me — no one ever meant it that way — they just wanted me to know that they had voted for me. That made me feel uneasy, because I knew that life in the Republic of Belarus — well, I will not say it has become worse, but it has not become easier either. Incidentally, I have just mentioned the question of whether life has become worse or not, but one should always ask another question: Would life in the Republic of Belarus have been better had someone else been here.

I can only say one thing: Independence and sovereignty are extremely dear, so if we wanted to be independent and sovereign, we had to remember that we would have to pay for it, and to pay quite, quite a lot. To pay for everything — for oil, for gas, for other resources we consume. To pay world prices.

This year has been the year in which sovereignty and independence have taken shape. It was a most difficult year. But in the end the year has brought us what I will describe as harsh stability.

What have we achieved by now? The exchange rate of the ruble has now been stable for six months. The rate of inflation may even slip into negative figures this month. So we have conquered inflation, and what is more, we have done it purely by market means — even the International Monetary Fund has acknowledged this. They, who used to criticize us through and through, have now agreed to grant us the second installment of their loan, as it were, which will amount to $250-$300 million. So even they have acknowledged this.

I am very grateful to our people. We have held a referendum, unprecedented in the history of our state. We have held elections to the Supreme Soviet and elected 120 Supreme Soviet deputies in a totally democratic way. The results are well known. In this connection and turning to politics, I would like to say that I would not dream of claiming that the president or some forces have scored a victory. The victory will come later.

The most important achievement of our republic has been that in these very hard times, when wars and conflicts are raging around us, we have retained peace. This is our greatest achievement, and no one will be allowed to break it. This is the most important thing the authority has to create. All the rest is done by the people.

This, in a nutshell, is the past year for me, for the people of the Republic of Belarus, for those who voted for Lukashenka. I would like the people to know just one thing: Today Lukashenka has no other concerns and no other objectives. My only wish — I am repeating this in public for the third time now — is that after a while people will say thank you to me. That is all I need. [end recording]

Reviews Economic Stabilization

LD0707223095 Moscow INTERFAX in English 1635 GMT 7 Jul 95

[From the "Presidential Bulletin" feature compiled by Nikolay Zherebtsov and Andrey Petrovskiy and edited by Vladimir Shishlin]

[FBIS Transcribed Text] This is the end of an Interfax interview with President Alyaksandr Lukashenka on the first anniversary of his election.

INTERFAX: Was the economic stabilization hard on the people?

LUKASHENKA: The people are bearing the brunt of stabilizing the Belarusian ruble and the prices approaching the world level.

The prices cannot be much below the world prices if only because they do not cover the costs, even with cheap labor. What is more, we do not have our own raw materials or fuels. We have to import them.

For instance, butter is sold practically at cost. The losses made in this trade are offset by the profits made in selling consumer goods, in particular, clothing.

I have been visiting privately-owned factories and found that privatization does not improve the performance. It may even make things worse. The state even has to subsidize newly privatized factories. What was then the point of discontinuing the state ownership of factories or of this kind of reform?

During this year I understood that we should overcome the post- Soviet myth about our goods being uncompetitive. For instance, the products of the Minsk Worsted

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Cloth Factory has a market in Western Europe as well as the former USSR. However, under international quotas Belarus can sell as little as 200,000 meters of cloths in the West. This suggests that Belarusians are unwelcome there and that the governments try to support their own producers. Under a strong presidential pressure the factories squeeze into Western markets using gimmicks which I cannot tell you about. On the other hand, while they take our goods willingly, CIS member states do not necessarily have funds to pay for them. Belarus has in certain cases to continue supplies so as not to lose the market.

We have also to help the peasants. They grow a harvest without being paid for two or three months. I ordered paying them with bread if they cannot be paid in money. In this way they can feed poultry or a piglet or a calf. What is important now is to collect the harvest which is expected to be good.

INTERFAX: Do you think you are personally responsible for factories which verge on bankruptcy? Because it is you who appoints the minister who appoints factory managers.

LUKASHENKA: I do. The factories where the managers have been replaced recently have significantly improved their showing . The contractual system works.

If factory directors cannot manage, I send them packing.

True, good directors do not grow as mushrooms in the forest. We are short of skilled personnel because for decades the best scientists, engineers and managers have been transferred from Belarus and other republics to Moscow. There are now nearly 70,000 Belarusians in Moscow, many of them highly skilled personnel, whose expertise cannot find application in their own country.

Not all poor managers have been replaced. I believe, however, that the situation has to be thoroughly studied in each particular case. One cannot just shut people out.

INTERFAX: If you could start anew, what decisions would you revise?

LUKASHENKA: I would stand by every decision I made. I really had no choice.

I can be reproached only for not being tough enough. I could remedy the situation, the legacy of the earlier authorities, at a faster rate, doing in seven to eight months what I did in one year. But I pitied the people. Could I have the communal service bills increased in winter time? The people would not have been able to endure this.

But the International Monetary Fund hurriedly rejected Belarus's application for credits.

INTERFAX: Do you think you made no mistakes during this year?

LUKASHENKA: Speaking in purely philosophical terms, without going into detail, I admit that there were mistakes, mistakes were bound to occur.

Above all, I made mistakes in selection of the personnel. These were made for reasons beyond my control, one of them being the most acute shortage of highly skilled personnel I spoke about. The other mistakes follow from this.

The state has to set up or create anew a system of training the managerial personnel. When the Communist Party of the Soviet Union was in power, there was a smoothly operating system in which any manager could be replaced any time. We lost this reserve under "democratic slogans."

It would not be true to say that the chief reason was that I did not have a highly skilled team of my own. I am convinced that if parliament speaker Stanislav Shushkevich won, he would appoint in Stanislav Bogdankevich to govern the National Bank and Vladimir Yegorov to chair the KGB, the same people I brought in.

But if Zenon Poznyak came to power, he would have quite a different set up. I know these people in Minsk and elsewhere in the country and believe that their appointment would be a tragedy.

On the other hand, I am aware of the fact that certain people have retained their positions who should have gone when I was elected. Believe me, those of the old guard who have not understood that the times have changed or have to change will leave the positions of authority.

Certain officials, some of them widely known in Belarus, believe that under Lukashenka they will still embezzle state property and build cottages at somebody else's expense. I cannot put them in prison, as my electorate want. I am not empowered to issue legislation while the documents passed by the old Supreme Soviet legalize embezzlement.

INTERFAX: Alyaksandr Grigoryevich, the businessmen complain that taxes are too steep...

LUKASHENKA: They should not pose as victims. If they make useful products, we support them while the West appropriates money earmarked for entrepreneurs.

A new taxation system is now under development but this does not mean that businessmen will not pay taxes.

INTERFAX: You have met numerous CIS heads of state. What do you think of their CIS commitments?

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LUKASHENKA: I'd like to see the treaties we sign implemented literally.

INTERFAX: Don't you think that the CIS should be transformed into a more tightly controlled structure, possibly with transnational control bodies?

LUKASHENKA: By no means. The Commonwealth is not prepared for that. This was apparent in the May summit at which numerous presidents signed the agreement with reservations if at all. This happens chiefly because the legal framework differs from country to country and because CIS leaders pursue their own political goals.

'Disgraced' Chief Editor To Launch Own Newspaper

WS1007085495 Minsk Radio Minsk Network in Belarusian 0300 GMT 10 Jul 95

[FBIS Translated Text] A new newspaper, NARODNAYA VOLYA [National Will], will soon appear on the market. Its founder and chief editor is Iosif Syaredzich, the famous journalist and Supreme Soviet deputy. As is known, after five years as chief editor of NARODNAYA GAZETA, he was discharged from this position by a presidential edict. The new paper published by the disgraced deputy can at first be bought only in retail outlets, but beginning in the next quarter, will be available by subscription.

Moldova

Chisinau, Tiraspol Agree To Preserve Peace, Security

AU1007100695 Chisinau BASAPRESS in English 2130 GMT 7 Jul 95

[FBIS Transcribed Text] Chisinau, BASAPRES, 7/7/1995 — The main objective of the July 5 Memorandum on preservation of peace and security signed by Moldovan and Dniester representatives is to repair the bridges across the Dniester and establish free movement, a reliable Chisinau source told BASAPRESS. Tiraspol insisted on guarantees that force will not be employed fearing that bridges might be used by Moldova to dispatch troops to the left bank. According to clause 2 of the agreement, the parties will not join military alliances whose activity are harmful to one of the parties. Referring to this clause, the quoted source said "Moldova thus confirmed its neutrality enshrined in the Constitution, including by not allowing foreign military bases on its territory". Earlier, Tiraspol authorities saw Moldova's military cooperation with western countries as an intention to allow foreign military troops to be based on its territory. No agreement with regard to special status for Dniester was arrived at on July 5 — Chisinau insisted on autonomous region status, whereas Tiraspol on statehood status. Referring to Ukraine's involvement in negotiations, the same source said in the nearest future this matter will be settled, including by location of Ukrainian military observers in the security zone and participation of an Ukrainian special envoy in negotiations. Russian and OSCE [Organization on Security and Cooperation in Europe] mediators gave their assent to Ukraine's participation in the peacekeeping process. Yesterday, Dniester leader Igor Smirnov stated to the Tiraspol Supreme Soviet "the agreement on preservation of peace and security signed by Moldova and Dniester is international in nature." The Dniester radio called this agreement "a small step toward establishment of peace". "The result of the non-aggression pact signed in 1939 by USSR and Germany is very well known," said the Dniester radio.

Snegur: Meeting Dniester Leaders 'Important Step'

AU0807135895 Chisinau BASAPRESS in English 1850 GMT 5 Jul 95

[FBIS Transcribed Text] Tiraspol, BASAPRESS, 5/7/1995 — The Moldovan top officials today met the Dniester leaders in a Tiraspol suburb to discuss the alleviation of the consequences of the Dniester conflict, according to a presidential press service. The Moldovan side was headed by President Mircea Snegur and Speaker Petru Lucinschi, and the Dniester side by Tiraspol President Igor Smirnov and speaker Grigori Marakutsa. Michael Wygant, head of the OSCE mission to Moldova, and Russian presidential envoy Vladlen Vasev participated as mediators. The parties signed an agreement on preservation of peace and guarantees of security between Moldova and Dniester. According to the agreement, the parties will not use force against each other and will not put political, economic or other pressures. They also appealed to Russia, Ukraine and OSCE to become guarantors of the signed agreement. President Snegur and Igor Smirnov addressed Ukrainian President Leonid Kuchma a letter which says: "Taking into account the importance and suitability of the talks between Moldova and Dniester we deem it opportune to propose you to participate in the conciliation process as you consider it appropriate." Mircea Snegur and Igor Smirnov signed a protocol on unification between the Moldovan and Dniester credit-monetary systems. Upon conclusion of the meeting, President Snegur made a statement for reporters that "the agreements signed during our dialogue fills the April 28, 1994 document." In his opinion, the meeting was an important step toward reaching a compromise.

Referring to the special status for Dniester, Snegur said "not all reserves have been used, but something has budged. Ways that do not estrange us from each other

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but near us were traced out." The expert groups have to work out concerted and mutually acceptable actions until September 13 when an ordinary meeting will be held.

Dniester Radicals Claim Leaders 'Betraying' Country

AU0807192695 Chisinau INFOTAG in English 1732 GMT 7 Jul 95

[FBIS Transcribed Text] Tiraspol INFOTAG, 7/7/1995 — The president of the self-proclaimed Dniester Republic, Igor Smirnov, stated in the local parliament that "our chief aim at the negotiations with Chisinau is to determine the region's political status."

The session has approved the course of the negotiations, though the local radical opposition is voicing a strong protest against the Tiraspol delegation's stance, and is blaming it of "betraying the republic."

The Chairman of the United Council of Labor Collectives, Vitaliy Emelyanov, asked Smirnov whether or not he could give any guarantees regarding the introduction of the leu [as national currency] in the region, on which the president replied that "nobody can give any guarantees nowadays."

Reject Chisinau Compromise

AU0807140195 Chisinau BASAPRESS in English 1850 GMT 5 Jul 95

[FBIS Transcribed Text] Tiraspol, BASAPRESS, 5/7/1995 — The Union of Political Parties and Public Movements for Dniester's Defense called on the Tiraspol authorities not to accept any compromises in the negotiations with the Chisinau leadership concerning the determination of the juridical status for the Dniester region. In the Union's declaration, made public in Tiraspol, they mention that in case the Dniester leaders give up the principle of confederation in their relations with Chisinau, this fact will be qualified as "a betrayal of the Dniester people." The radical public organizations of the union have the largest number of seats in the Supreme Soviet of the self-proclaimed Moldovan Dniester Republic, as well as in the local soviets. Galina Andreyeva, leader of the Women's Union for Dniester's Defense, urged the Dniester leaders to give up the principle of confederation and orient toward the creation of an independent state, if the negotiations with Chisinau fail. Andreyeva launched the proposal to conduct a referendum on this issue, simultaneously with the elections to the Dniester Supreme Soviet, which are likely to take place in autumn this year. Chisinau is ready to grant Dniester a special juridical status, while Tiraspol insists upon a statehood status.

14th Army Begins To Destroy Ammunition as Planned

LD0707115395 Moscow INTERFAX in English 0929 GMT 7 Jul 95

[FBIS Transcribed Text] Chisinau, July 7 (Interfax) — Mine clearing experts have begun blowing up Russia's former 14th army ammunition, which was designed as far back as 1938, the commander of the downgraded Russian contingent in Transdniester, Major General Valeriy Yevnevich, told Interfax in an exclusive interview Friday.

"Starting from July 10, we will blow up 200 mines a day. But our experts are completing calculations to increase the number to 1,500," he said.

Yevnevich believes that the destruction of these obsolete weapons will take more than a month in as the amount of such mines at the military warehouses is huge.

"Unfortunately, we cannot blow up a larger number of mines for environmental and safety reasons," he added. Yevnevich pointed out that the local authorities had helped the army a lot by campaigning for this action throughout neighboring villages.

"We have established good relations with the local authorities which try to help us in the withdrawal and destruction of ammunition. We have normal civilized relations with the Transdniester leadership," he said.

Yevnevich said the issue of destructing the bulk of ammunition could have been solved long ago, if the former 14th army command had not fanned emotions around the issue.

Asked whether the armed conflict, which wound down exactly three years ago on July 7, 1992, could resume in the region, Yevnevich said, "Nothing of the kind can happen. Civilized relations prevail in Moldova."

'Sources' Deny Report

AU0707172295 Chisinau INFOTAG in English 1938 GMT 6 Jul 95

[FBIS Transcribed Text] Tiraspol, INFOTAG, 6/7/1995 — Russian troops in Dniester organized experimental blasting of 1936-made mines in the Rabnita area last Tuesday and Wednesday. Military sources in Tiraspol have denied an information that, allegedly, "the Russian contingent has launched a planned annihilation of its arsenals being kept at the warehouses of the former 14th Army."

The Moldovan Defense Ministry has explained that two experimental blasting have been organized in an abandoned quarry near the village of Kolbasna. The

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results shall be thoroughly analyzed by a group of experts of the Russian Defense Ministry who arrived to Moldova earlier this week.

Only after the analysis is over, the Russian troops headquarters will take a final decision on the possibility of annihilating a part of available explosives on site.

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Kazakhstan

New Democratic Party Backs Middle Class

LD0907143095 Almaty VESTI KAZAKHSTANA in Russian 6 Jul 95 p 1

[FBIS Translated Text] Resolution of the founding congress of the Democratic Party of Kazakhstan on the problems of transition period and the planned tasks of the party:

The Congress of the Democratic Party of Kazakhstan attaches fundamental importance to the evaluation of the current situation and to determining the party's policy in the present phase.

The congress notes that in this period of socio-economic crisis the party sees its task as to become a political organization that ensures constructive cooperation between the various public and political forces that are interested in emerging from the crisis and reconstructing society democratically.

The party's aim is to build a civil society and a democratic state with a market economy, based on implementing and defending the political and economic rights and freedom of citizens, and strengthening inter-ethnic accord.

The implementation of the planned targets of the party requires long-term action. The party will achieve its targets exclusively by political means.

The party adheres to the following principles:

In the sphere of economy:

— consistently to advocate the creation of conditions for the development of multi-structural forms of ownership and free competition between them;
— to take part in the development of law and legal acts that ensure the transition to a market economy;
— to defend the rights of all goods manufacturers, regardless of their forms of ownership, in the interests of independence and freedom of entrepreneurship;
— to take part in informed public debate on government anti- crisis development programmes;

In the political sphere:

— to render every possible assistance to the process of political reforms;
— to ensure public control over the observance of laws;
— to achieve democracy and openness in the legislative process;
— firmly to advocate the strengthening discipline and law and order, the intensification of fight against the crime and the taking of preventive measures against breaches of the law;
— to advocate respect for the cultural traditions and interests of all ethnic groups of the population in adopting the legal acts of the Republic;
— to maintain the policy of national accord, and to resist the actions of political forces aimed at destabilizing the state and society;
— to cooperate with the movements and parties of a democratic orientation, to implement dialogue and equal partnership with all progressive political organizations, and to form political blocs with them.

In social sphere:

— to advocate the creation of a developed system of social protection for various groups of the population in the fields of education, medical services and pension guarantees;
— to assist the formation of an effective mechanism for maintaining employment, professional retraining and requalification of personnel;
— to advocate guaranteeing equality of opportunity for the youth of various social groups, and their prospects for professional, political and cultural growth.

Taking into account the importance of the targets set for the party, the congress considers it necessary:

1. To conduct active work to attract to the party like-minded people who share the same approach to political and economic reforms, and support the consolidation and stability of the society, safeguard the civil peace and accord in the country.

2. To support the main provisions of the new draft constitution stated in the speech by President Nazarbayev at the second session of the Assembly of the Peoples of Kazakhstan.

3. To consider it to be the important duty of each member of the party to conduct explanatory work on advocating the programme and rules of the party, and the creation and strengthening of organizational structures of the party at the local level.

4. To concentrate the efforts of party members on permanent work to consolidate the unity of party members. To finish conducting regional founding conferences by 15th August 1995. Actively to register organizations at regional justice departments.

5. Acting within the framework of the constitution to expand preparations for the forthcoming elections to the parliament, and, after the adoption of the official resolution on holding the elections, to activate promoting the election of party representatives to parliament.

6. Consistently to defend the party's positions on reforming the economy, implementing constructive coop-

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eration with state authorities in the centre and the localities, to achieve the consistent conduct of economic and political reforms through constitutional methods, to take part in improving the legislative basis for reforms.

7. To direct the party's efforts towards the defence of social guarantees for citizens, to the creation of real prospects for the broad mass of the population, the representatives of the middle class.

8. To consider it necessary to develop constructive interaction with political parties and movements of a centrist orientation.

Swiss Firm Agrees To Manage Ore Plant

LD0807162195 Almaty Kazakh Television First Program Network in Russian 1100 GMT 8 Jul 95

[FBIS Translated Excerpt] The process of transferring the management of Kazakh enterprises to foreign firms is continuing. The following report has come in from Semipalatinsk.

[Unidentified correspondent] A significant event has taken place in the life of Semipalatinsk region — for the first time, an enterprise in the region has been handed over for managing to a foreign firm.

The signing of an agreement between the regional state property committee and the Swiss firm New Resources [novyye resursy] on the latter's management of the joint stock company Zheskenskiy ore-dressing combine took place at the regional administration. The agreement was signed by the firm's president, Inge Magnusson, and Chairman of the State Property Committee Aynabekov.

Under the contract, the enterprise is to be transferred to the new management for five years. The total investment will be 200 million dollars. In addition, it is planned to introduce advanced technologies, use the experience of effective management in the production sphere, and tackle social and ecological problems.

Ninety percent of the company's shares have been handed over to New Resources, but will be subject to state supervision which will be exercised by the state property committee. [passage omitted]

Kyrgyzstan

Deputy Finance Minister Cited on Country's Debts

MM1007090895 Moscow ROSSIYSKAYA GAZETA in Russian 7 Jul 95 p 13

[Financial Information Agency report from the "Departmental Supplement" section: "Burdensome Debts"]

[FBIS Translated Text] Bishkek — Kyrgyzstan's foreign debt has risen by $15 million since the start of 1995 and has now reached $365 million, Rafkat Khasanov, Kyrgyzstan deputy minister of finance, has told the Financial Information Agency.

He noted that the republic's foreign debt includes debts only on credits supplied so far. The total sum of loans for which contracts had been concluded by early April this year is $628 million.

According to Khasanov Kyrgyzstan's biggest creditors are Russia — $132.69 million — and the World Bank — $370 million.

Khasanov also stated that virtually all credits were issued to the republic at an interest rate of 9 percent per annum to buy imported medical supplies on preferential terms except for the European Union Commission loan.

Government To Regulate Foreign Bank Activities

LD0907084595 Bishkek SLOVO KYRGYZSTANA in Russian 6 Jul 95 p 2

[Unattributed report: "Green Light to Investors"]

[FBIS Translated Text] At its last meeting on 3 July the Board of the Kyrgyz National Bank approved regulations on the activities of foreign bank missions in Kyrgyzstan.

The rules regulate the missions' activities in correspondence to Kyrgyz legislation. According to A. Akhmatova, head of the National Bank's license department, the document was adopted with the aim of systemizing the activities of foreign bank missions on the territory of our republic.

In accordance with the regulations, the missions' powers include advertising activity, research of the state of the republic's economy and banking system in general, and consumer research. In accordance with the Kyrgyz Law on Banks and Banking Activity, foreign bank misisons are not legal persons and do not have the right to carry out banking operations. At present in Kyrgyzstan there are two functioning foreign bank missions: one of the Pervyy Russkiy Bank [First Russian Bank] and one of the Moscow Kreditimpeksbank [Credit Import Export Bank], registered in 1993 and 1994 respectively.

As has been shown in practice, the setting up of a foreign bank's representative office in a country is a prelude to the opening of a branch of the bank in that country. The creation of a regulatory basis for foreign bank missions is aimed at promoting the development of financial and economic links between Kyrgyzstan and foreign countries and serves to attract investors to a country with a liberal currency regime, such as Kyrgyzstan.

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ECO Chief, Leaders Discuss Economic Potential

LD0707190595 Bishkek KABAR in Russian 1100 GMT 7 Jul 95

[FBIS Translated Excerpt] Bishkek, 7 Jul — President Askar Akayev of Kyrgyzstan received Shamshad Ahmad, the secretary general of the Economic Cooperation Organization [ECO], who is currently paying a short visit to the republic. [passage omitted]

Greeting the high-ranking guest, Askar Akayev voiced very optimistic forecasts for the development of Kyrgyzstan's cooperation with the ECO. [passage omitted]

Kyrgyzstan, as a new state, needs an outlet to the world economy and to develop new markets, and that is why it has a great interest in its ECO membership.

Shamshad Ahmad supported the Kyrgyz president's confidence in the good prospects for bilateral cooperation, and expressed satisfaction with the course of economic reforms being conducted in the republic.

Kyrgyz Prime Minister Apas Dzhumagulov also received the ECO secretary general today. Their long and frank conversation touched on specific forms of cooperation between Kyrgyzstan and the ECO, in particular the possibility of exporting the cheap electricity generated in the republic to Iran and Pakistan; reconstructing the highway running through Kyrgyzstan, China, and Pakistan; using the republic's capacities for receiving sugar, there being a shortage of it in the countries in the region; and putting into operation a unique plant in the republic manufacturing glucose and fructose; and many others. [passage omitted]

Tajikistan

Opposition Wants Talks in Central Asian States Area

LD0707175595 Moscow INTERFAX in English 1624 GMT 7 Jul 95

[From the "Diplomatic Panorama" feature: Reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Almaty, July 7 (Interfax) — Tajik opposition insists that the place of negotiations on peace settlement in the republic "should not outstretch the boundaries of the Central Asian countries, Kazakhstan, Kyrgyzstan, and Uzbekistan," representative of the opposition Otakhon Latifi declared in an interview with Interfax in Almaty (Kazakhstan).

In his words, he informed about his position Kazakhstan's Foreign Ministry in the course of his meetings with Kazakhstan's First Deputy Foreign Minister Nurlan Danelov and Deputy Foreign Minister Vladimir Alesin on Wednesday and Thursday.

Latifi believes that "restriction of the place of negotiations on the Inter-Tajik settlement will help to use such a favorable factor as vicinity to the home." "In addition, if the dialogue is held in the Central Asian region then information about it will reach citizens of Tajikistan and refuges much faster. It is more difficult to maintain communication, for example, from Moscow."

Latifi did not rule possibility of a meeting between leader of the opposition Said Abdullo Nuri and Tajik President Emomali Rakhmonov in the course of Rakhmonov's visit to Iran scheduled for late July.

At the same time Latifi underlined that such a meeting can take place only in the case that it takes the shape "of comprehensive negotiations in the presence of UN representatives and countries-supervisors." In his words, such position finds support among Kazakh diplomats.

Latifi also reported about the intention of the Tajik opposition parties to create a commission to render assistance to Tajik refugees in Almaty.

"Documents for its registration have been already handed over to Kazakhstan's Justice Ministry," he said.

According to Latifi, at present about 42,000 Tajik refugees live in Kazakhstan.

"The aim of the commission under creation is to solve issues related to temporary registration of refugees, registration in the densely populated regions, etc," he explained.

...KAZAKHSTAN'S FOREIGN MINISTRY BELIEVES THAT U.N SHOULD TAKE MORE ACTIVE PART IN THE PROCESS OF INTER-TAJIK SETTLEMENT

For his part, in an interview with Interfax Kazakhstan's Deputy Foreign Minister Vladimir Alesin declared that after his meeting with Latifi his country "continues adhering to the principles of the Tajik problem settlement put forward earlier."

He reminded that "the matter primarily concerns the necessity to sign a termless ceasefire agreement by the parties." Creation "of a joint permanently acting commission for consultations to settle the situation, adoption of a decree on amnesty, and return of refugees and forced settlers to the places of their permanent residence" are the next moves to be implemented by the parties," Alesin said.

"The United Nations Organization must make its activity in the region much more active while implementing these provisions," he said.

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As Alesin noted, after fulfillment of these tasks Almaty proposes "to hold a congress or an assembly of peoples of Tajikistan on analogy with the Kazakh Assembly of Peoples in order to discuss ways to achieve national unity in the republic."

Alesin reported that Ramiro Piriz Ballon, special envoy of the UN General Secretary on the inter-Tajik settlement, "should inform the UN General Secretary on Almaty's proposals."

"Kazakh diplomats expect assessments of their proposals from the U.N. and hope that they would not wait too long," Alesin concluded.

Rogue Soldiers Threaten South With 'Civil War'

MM0707152195 Moscow PRAVDA in Russian 7 Jul 95 p 1

[Report by correspondent Alisher Niyazov: "People's Front Veterans Share the Money and the Glory: Southern Tajikistan Teeters on the Brink of War"]

[FBIS Translated Text] Dushanbe — Commentators analyzing the alarming events in Tajikistan's Khatlon district are coming to the conclusion that the republic is teetering on the brink of war. People's Front groups, which were formally disbanded in 1993, are promising to take up arms again if the authorities do not quickly sort out the conflict exacerbated by the recent murder of Izatullo Kuganov, commander of the Fayzal Saidov Special Brigade, one of the leaders of the former People's Front, and the kidnapping of Akobir Odinayev, first deputy chief of the district administration.

Friends and supporters of Kuganov accuse military-cum-mafia structures operating in the district center — specifically, the so- called Lomonosovo group from the urban settlement of that name — of the deed. The "Lomonosovers" are also suspected of organizing previous attacks on brigade officers — in around eight incidents in all.

"We do not intend to put up with this chaos any longer," I was told by Lieutenant Colonel Usmon Murchayev, acting brigade commander. "The Internal Affairs Ministry and the Security Ministry are well aware of the identity of the killers and their supporters. However, no measures at all are being taken. Why? The brigade set up by the 'great military leader' Fayzal Saidov made the major contribution to routing the opposition. Today, however, it turns out that no one wants us. Worse than that — we are redundant."

Makhmud Khudoyberdyyev, commander of another Tajikistan Defense Ministry unit also stationed not far from Kurgan-Tyube, is described as the unofficial leader of the Lomonosovo group. A regular officer and Afghanistan veteran, he is popular among People's Front veterans. During the civil war Makhmud, who was at the time still an officer in Russia's 191st Motorized Riflemen's Regiment, was the hero of a much-publicized story which involved hijacking four tanks from a unit and going over to members of the Kulyab resistance.

Today he categorically denies the accusation that his people were involved in the murder of his former comrade in arms in the struggle against the opposition and, for his part, accuses opponents of every sin under the sun. He accuses Fayzal Saidov Brigade servicemen, for example, of kidnapping district deputy administrator Akobir Odinayev.

Makhmud Khudoyberdyyev has demanded that the local authorities restore order in the district. Otherwise, he threatened, "the people will not tolerate the lawlessness any longer." It is a threat to be taken very seriously: This ambitious young man (he acknowledges this himself) is supported by hundreds of well-armed gunmen. His former allies have enough forces, too.

The showdowns among mafia-cum-clan groups in Khatlon Oblast threaten to spread to the whole republic. It is no wonder that the ostentatious "saber-rattling" by southern gang bosses causes great alarm in official Dushanbe, for whom the unpleasant prospect of finding themselves caught between two stools is dawning, that is to say, deterring the opposition located on the other side of the Pyandzh River while simultaneously combating their own field commanders' ambitions. Extra subunits of the internal forces are now being sent into the oblast. They are forming a buffer zone between the two brigades. Military helicopters fly 24-hour patrols over the city. At the same time every manner of government delegation, mainly from the power ministries, is arriving in Kurgan- Tyube. Judging by their statements, they are resolute. First Deputy Internal Affairs Minister Gennadiy Blinov, for example, is proposing to "demilitarize the region" and to start by arresting 10-15 troublemakers. The power ministers are convinced that the brigades formed from People's Front fighters have done their job and must now be disbanded to ensure calm in the country.

Uzbekistan

Turkish Prime Minister Ciller Arrives in Tashkent

LD0907144795 Moscow ITAR-TASS in English 1442 GMT 9 Jul 95

[By Vilor Niyazmatov]

[FBIS Transcribed Text] Tashkent, July 9 (Itar-Tass) — Turkish Prime Minister Tansu Ciller arrived in Uzbekistan on an official visit on Sunday.

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At the airport, Ciller was met by Uzbek President Islam Karimov and his wife.

After short rest at the government guest house outside Tashkent, Karimov and Ciller had one-to-one talks.

A reception to be given by Karimov for the Turkish premier in the evening will end the first day of Ciller's official visit to Uzbekistan.

The second day will begin with official talks between the delegations of the two countries led by Karimov and Ciller. The two sides are expected to sign about 10 joint documents, including agreements on trade and economic cooperation and the development of ties in the field of education, culture and tourism.

Ciller will also dedicate a theme park in Tashkent built with Turkey's assistance.

This will be her first visit to Uzbekistan as the Turkish prime minister. Turkey was the first foreign country to recognise Uzbekistan's independence and establish diplomatic relations with it.

Turkey and Uzbekistan have established a sound legal basis for relations between the two countries and are implementing a number of joint projects for the sake of peace and stability in the Central Asian region.

Education is one of the major areas of cooperation between Turkey and Uzbekistan. About 300 Uzbek students are studying in Turkey and over 100 Turkish students are studying in Uzbekistan. A total of 25 Turkish lyceums, including seven specialised secondary schools, currently operate in Uzbekistan. They are attended by over 3,000 children.

Turkey is also one of Uzbekistan's major investors. On the eve of the visit, the Turkish government announced its decision to grant Uzbekistan a 250 million U.S. dollar credit. Over 20 Turkish companies have their representative offices in Uzbekistan. A total of 172 joint ventures operate in the republic in the textile, food, building and automobile industries.

Trade turnover between the two countries reached 240 million U.S. dollars in 1994.

From Tashkent, Ciller will go to Baku to try to persuade the Azerbaijani authorities to help build an oil pipeline to transport oil to the Mediterranean. Ankara is ready to contribute 350 million U.S. dollars to this end.

Finance, Banking Talks Held

LD0907155795 Tashkent Uzbekekistan Television in Russian 1430 GMT 9 Jul 95

[FBIS Translated Excerpt] Turkish Prime Minister Tansu Ciller arrived in Uzbekistan on an official visit today. [passage omitted]

Preliminary negotiations took place at the National Bank for Foreign Economic Activity immediately after the official welcoming ceremony.

Rustam Sadykov, chairman of the bank's board; and Ozyar Ciller, the Turkish prime minister's spouse, greeted one another and presented the delegation members who were taking part in the negotiations.

Expanding ties between our countries in the fields of finance and banking, power engineering, the oil and gas industries and trade were discussed.

The negotiations were successful. Specific measures had been outlined about all the prospects for cooperation that were considered.

Agreements Signed

LD0907180495 Tashkent Uzbekistan Television in Uzbek 1600 GMT 9 Jul 95

[FBIS Translated Excerpt] Turkish Prime Minister Tansu Ciller has arrived in Uzbekistan on an official visit today. [passage omitted]

President of Uzbekistan Islam Karimov accompanied the Turkish guests to the state residency, which is situated in the center of our capital and has been prepared for them. Here, the Turkish flag has been hoisted on the flagpole.

President Islam Karimov and Turkish Prime Minister Tansu Ciller.

Later, a tete-a-tete conversation took place between Turkish Prime Minister Tansu Ciller and President Islam Karimov. It was noted during the conversation that the main task was to raise ties between our countries onto a new level, in accordance with today's requirements and, apart from this, to open new facets of reciprocally beneficial relations between Turkey and Uzbekistan.

It was stressed that for this, Turkish entrepreneurs and businessmen should conduct a great deal of their activity in Uzbekistan, and for this a number of conditions should be created in our country, on the basis of the law.

During the conversation, opinions were also exchanged about other issues, in which both sides were interested.

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A ceremony of signing intergovernmental agreements also took place here. Documents on scientific and technical cooperation, on simplifying the visa regime, on the property of embassies, on financial support, and on setting up a joint commission for trade and economic cooperation were signed. The documents were signed on behalf of the government of the Republic of Uzbekistan by Foreign Affairs Minister Abdulaziz Kamilov, and on behalf of the Turkish Government by Veysel Atasoy, minister of energy and natural resources; Minister of State Ayvaz Gokdemir; the ambassador [not further identified], (Onur Oyman), Turkish first deputy minister of foreign affairs; and Halis Ziya, Turkish minister of labor and social security.

President, Ciller Comment on Talks

LD1007094295 Tashkent Radio Tashkent Network in Uzbek 0600 GMT 10 Jul 95

[FBIS Translated Excerpt] The visit of Turkish Prime Minister Tansu Ciller to Uzbekistan is continuing. Talks took place between Tansu Ciller and our President Islam Karimov yesterday. [passage omitted]

At the end of talks President Karimov and Turkish Prime Minister Tansu Ciller met journalists and gave a short interview.

[Begin recording] [Karimov] Esteemed journalists! Esteemed ladies and gentlemen! First of all I would like to express our great satisfaction with the visit of the head of the fraternal state of Turkey, Mrs. Tansu Ciller. There is no need to speak about the ties that closely connect Uzbekistan and Turkey. Turkey is our closest friend and relative.

After Uzbekistan gained its independence, historic and ancient relations that had been interrupted were restored again. The scale of Uzbek-Turkey relations is being developed and extended day by day in the political, economic, spiritual, and cultural spheres. At present, the representative offices of 21 Turkish companies are operating in our homeland. The number of Uzbek-Turkish joint ventures has reached 140. About 30 previously signed contracts and agreements have created the legislative basis for mutual political, economic, and cultural ties.

We discussed a number of broad questions together with the Turkish prime minister. I would say this with special satisfaction that our talks and conversations show that our thoughts in all fields are mutually harmonious or very close, and I want to tell you of this and I want to underline once more that I am glad of it. Once more taking the opportunity, I would like to say that our talks today [9 July] underline the all-round unity, closeness, and help to one another between Uzbekistan and Turkey, the conduct of a unanimous policy. I think it is an historical event.

Today four important documents were signed. We together with Madame Prime Minister are for uniting our moral and material possibilities on the path of peace and happiness of our people. Thank you for your attention.

[Ciller, in Turkish with superimposed Uzbek translation] Dear representatives of the media! Dear correspondents! Today we have signed a number of documents together with Uzbek President Karimov, and we had a mutual exchange of views on a number of questions. The main questions were on further developing economic, cultural, and other cooperation between the countries and maintaining peace and accord in this region. Of course, we believe the meeting today will be influential in further developing the entire field of cooperation between our two countries. [end recording]

The high-ranking guest and President Karimov answered many questions from journalists. [passage omitted]

Today the Turkish prime minister left for the city of Samarkand, accompanied by President Islam Karimov. [passage omitted]

The high-ranking guest is continuing her visit in Samarkand.

Managers Criticized for Wasting Fuel, Energy

LD0807172295 Tashkent Uzbekistan Television in Russian 1430 GMT 8 Jul 95

[FBIS Translated Text] A meeting of the commission on saving fuel and energy resources took place at the Cabinet of Ministers today, under the chairmanship of First Deputy Prime Minister Ismail Jorabekov of the Republic of Uzbekistan.

Deputy chairmen of the Council of Ministers of the Republic of Karakalpakistan, heads of the regional administrations and the city of Tashkent, leaders of ministries, departments corporations, concerns, and associations took part.

The commission noted that despite the measures that are being taken, abuses in the use of energy resources have not yet been eliminated, due to carelessness by individual leaders at a local level and a lack of supervision by ministries and departments.

The operation of vehicles is organized unsatisfactorily at enterprises of the Uzavtoyol [Uzbek motor-roads] concern, at Uzbekistan Railways, at Uzbekistan Airways,

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and state Uzavtotrans [Uzbek road transport] corporation. Selective checks at enterprises within these departments showed that more than 135 tonnes of oil products were groundlessly written off or overspent, and more than 14 tonnes fuel were spoiled. It was established that over 28 tonnes of oil products were concealed from stock-taking.

The commission's meeting heard information about the use of natural gas, boiler and stove fuel, and thermal power at organizations and enterprises of the Ministry of Education, the Ministry of Higher Educational Establishments, Uzbekistan Railways, Uzstroymaterialy [state building materials organization], Uzpromgrazhdanstroy [state civilian construction body], and in the Syrdarya and Dzhizakh regions.

The leaders of enterprises and economic entities subordinate to the above were severely criticized. Losses of 45 million cubic meters of gas were revealed only at those establishments that were checked, which represented than 15 percent of the total number.

A number of leaders were given strict warnings. They were instructed to take exhaustive measures within three months to eliminate all the deficiencies relating to gas utilization.

The attention of leaders of departments was drawn to the fact that problems relating to the industrial production, production, and installation of gas-metering equipment have not been resolved in a practical manner yet.

The commission outlined specific measures to correct the infringements that were revealed.

Presidential adviser Sirojiddin Mirsafayev and Deputy Prime Ministers Qayim Haqqulov, Rustam Yunusov, Utkir Sultanov, and Mirabror Usmanov participated in the meeting.

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Armenia

Election Head Reveals Constitution Vote Results

NC0807104395 Yerevan SNARK in English 0620 GMT 8 Jul 95

["New Constitution Entered Into Force in Armenia" — SNARK headline]

[FBIS Transcribed Text] Yerevan, July 8 (SNARK) — In the "golden" hall of the Armenian Parliament, at 11:41 p.m. yesterday — more that an hour and a half past the time set up by the law — the Chairman of Central Election Commission, Robert Amirian, has announced the following results of July 5 referendum on Constitution in Armenia:

— 2,189,804 citizens were included in the ballot list;
— 1,217,535 citizens took part in referendum;
— 828,370 citizens (37.83 percent of list) said "yes";
— 349,721 citizens said "no"; and
— 39,440 ballot papers were recognized as invalid.

Confers Broader Powers

LD0807091195 Moscow ITAR-TASS in English 0846 GMT 8 Jul 95

[By Tigran Liloyan]

[FBIS Transcribed Text] Yerevan July 8 (Itar-Tass) — Armenia's new constitution has been adopted in a national referendum which was held last Wednesday [5 July], central election commission chairman Robert Amiryan announced at about midnight Friday.

68.04 percent of participants in the referendum, or 37.83 percent of eligible voters approved the constitution.

The referendum results were summed up from reports from 150 constituencies.

The new constitution, which is now in effect, confers broader powers on the Armenian president and sanctions more distinctive separation of the executive, legislative and judicial powers.

The previous constitution of 1978 loses effect.

Opposition Declares Parliamentary Elections Invalid

LD0807070295 Moscow ITAR-TASS World Service in Russian 0606 GMT 8 Jul 95

[By ITAR-TASS correspondent Tigran Liloyan]

[FBIS Translated Excerpt] Yerevan, 8 Jul — The Armenian opposition believes that there were violations of the law during the parliamentary elections and the referendum held here on 5 July and demands that they be declared invalid. This was announced at a rally held here on the evening of 7 July, which was organized by opposition parties united into the "Cooperation for the Sake of Justice" alliance.

The referendum and the elections have no legal force and should be annulled, said Arshak Sadoyan, member of the Presidium of the Armenian Supreme Council, who, according to preliminary data, had been elected to the republican National Assembly. He said that the nation had said a firm "no" to the Constitution which was put forward by the republican leadership.

A statement by a group of members of the Armenian Central Electoral Committee, which represents the opposition, was read out at the rally that was attended by about 6,000 people. They thought it was their civil duty "to report violations and falsifications during the elections and the referendum."

In the opinion of the authors of the statement, the violations give grounds for considering the elections and the referendum unlawful. The statement by the state mass media to the effect that the constitution has been adopted, has no foundation, it says in the document. According to the members of the Central Electoral Commission, moreover, the preliminary results testify to the fact that most of the republic's population rejected the draft constitution.

The procedure used in holding the elections was also criticized by a group of foreign observers. A representative of the delegation from the Organization for Security and Cooperation in Europe, stated to journalists that right from the start strong pressure was exerted to ensure that the ruling party got favorable results. On the whole, in the evaluation of foreign observers, the elections were "free, but dishonest." [passage omitted]

SICU Demands New Vote

NC0807112095 Yerevan SNARK in English 0552 GMT 8 Jul 95

[FBIS Transcribed Text] Yerevan, July 7 (SNARK) — A statement was made today at the opposition meeting by Agasi Arshakian, one of the leaders of Scientific, Industrial and Civil Union (SICU) of Armenia, who claimed that authorities falsified the results of parliamentary elections and referendum on Constitution in Armenia. Thus obtained results cannot serve a basis for establishment and functioning of any legislation, he said.

SICU announced that it wouldn't participate in the National Assembly or any other state structure formed in these elections and that the Union recalls its representative from the Central Election Commission. The out-

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come of this situation in Armenia is seen by SICU in resolution of the present parliament — still in power until July 22 — announcing the results of elections and referendum invalid and call new elections.

Monitoring Group: Elections 'Generally' Not Fair

HC0807115595 Yerevan SNARK in English 0540 GMT 8 Jul 95

[FBIS Transcribed Text] Yerevan, July 7 (SNARK) — Since neither phase of the election process was flawless on July 5, the elections to the Armenian National Assembly cannot be considered as generally free or fair, said Levon Nersisian, the head of Sakharov Human Rights Fund, and co-chairman of 'Vote Armenia' Local Independent Monitors' Union, including 6 organizations.

According to statements, complaints and calls received by the Union, multiple law violations took place in process of election, such as bribes, blackmail and violence against both candidates and voters. One complaint of attempted kickback has been sent by a voter to the prosecutory office in the Soviet district of Yerevan. Monitors also know facts of candidate presence at polling station, propaganda on the election day, ill-prepared voting papers, etc.

By the Union obtained data, less than half of the voters attended the polling points in Yerevan, Vanadzor and Sisian cities, and less than 30 percent of them voted for Constitution. Should the figures be close to that in other regions, the Constitution might fail, say the local monitors.

Election Commission Views Violations

NC0807180995 Yerevan NOYAN TAPAN in English 1340 8 Jul GMT 95

[FBIS Transcribed Text] 07/07/95 NOYAN TAPAN — "Today we are authorized to announce that all reports by media on adoption of the new Constitution are groundless, since the Central Electoral Commission has not yet received information from all precincts and the election and referendum results are still unknown. We are sure that final results will be rigged so that they coincide with the preliminary ones. However, according to available preliminary data, the majority of the Armenian citizenry, who participated in the referendum, rejected the draft Constitution,"- statement by Central Electoral Commission's members, who represent the opposition reads.

Violations of the Election Law and all types of forgery have been observed since the formation of precinct and polling commissions and, apparently, will be continued within next 10 days. The moment has come to summarize numerous cases of forgery and violations, which are committed every day",- Gurgen Boyadjyan, member of the Central Electoral Commission, said.

He announced that according to available data, only "Hanrapetutyun" bloc and public political women organization "Shamiram" won over 5 percent of votes.

Some 10,000 voters in 40 precincts voted for "Hanrapetutyun" bloc and "Shamiram" public political organization. Meanwhile, according to Boyadjyan, it is unreal to speak about 10,000 votes in favor of the abovementioned organizations, since capacity of one polling site is some 900 voters, however, a precinct includes 5 polling sites.

"When we are informed that in a certain precinct 11,000 voters supported Constitution, and "Hanrapetutyun" bloc and "Shamiram" organization won the same amount of votes, it is clear to us that the elections in that precinct were unfair",- Boyadjyan said.

Karine Vartanyan, Central Electoral Commission's member said that Central Electoral Commission's members, who represent the opposition had no access to information received from precincts and polling sites. As of July 6, 4:00 pm, only 20 precincts presented their protocols on results of the elections and the referendum.

Participants of press conference, commenting on Central Electoral Commission's decision to prolong the elections till 10:00 pm July 5, said that this was enough to declare the referendum and the elections invalid, since the law stipulated that the elections and the referendum should have finished at 8:00 pm. According to some allegations, President Levon Ter-Petrosyan opposed to this decision by the Central Electoral Commission.

Participants of the press conference made public facts of violations observed during the elections and the referendum. In particular, on July 5-6 Central Electoral Commission received a large number of complaints.

First complaint came from No.51 precinct. Ballots lacked signatures of election officials. According to the Election Law, such ballots are considered to be invalid. Members of the Central Electoral Commission visited three polling sites and settled the problem.

In No.76 precinct (Massis region) members of precinct commission refused to perform their duties because of numerous violations of election procedure by local authorities.

In No.39 precinct (Yerevan) at a July 4 session six members of precinct commission decided to relieve the rest 7 members of the commission (representatives of the opposition) of their duties.

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According to Boyadjyan, there were cases when policemen took election officials and representatives of a candidate to police headquarters and brainwashed them.

Participants of the press conference also announced that consideration of numerous grievances will begin on July 10.

Election Commission Criticizes State Media

NC0807150195 Yerevan SNARK in English 0540 GMT 8 Jul 95

[FBIS Transcribed Text] Yerevan, July 7 (SNARK) — Armenian government news sources anticipated the events by announcing that Constitution has been adopted in a July 5 referendum, stated 4 out of 23 members of the Central Election Commission (CEC) at a press conference today.

Spreading such information before the results of referendum are made public, gives grounds to think that the final results may be falsified, they said. Press conference hosts announced that according to the preliminary data, the majority of population engaged in referendum has voted against the presented draft of Fundamental Law.

In their opinion, the CEC resolution to prolong for 2 hours the balloting period is clearly a breach of law which makes invalid both the election and referendum. President Ter-Petrosian himself was against the term extension, pointed out the 4 CEC members.

Azerbaijan

Iranian Envoy Blames U.S., Israel for Tensions

NC0807102795 Baku TURAN in English 1506 GMT 7 Jul 95

[FBIS Transcribed Text] BAKU/07.07.95/TURAN — Head of mission of Iran in Azerbaijan Mohammad Taheri conducted today a press- conference due to expire of term of his diplomatic mission. He said that Mr. Beygdeli, former Deputy Iranian Ambassador to Moscow would change him soon on that post.

"Despite some difficulties bilateral relations between Iran and Azerbaijan develop successfully," noted the Ambassador. The main foreign political goal of Iran is to develop friendly and fraternal relations with Azerbaijan," noted he.

According to Taheri, the trade turnover between two countries increases, last year it increased to 500 million dollars. "Both countries have great potential and are able to reach that data to one billion dollars per year," said he.

The diplomat noted that presently there is an era of economic and not political struggle between countries. According to Taheri, some forces try to spoil friendly relations between Iran and Azerbaijan.

Speaking about the similarity of history and fate of Iranian and Azeri peoples Taheri said that the U.S. imposed embargo against Iran. "Azerbaijan was not against the U.S., gave it its oil but despite that the U.S. did not decline the Amendment 907 to Freedom Support Act, imposing embargo against Azerbaijan," he said. "Remember, Azerbaijan will never receive any profit from relations with the U.S. and Israel, they will only use Azerbaijan," Taheri said.

At the same time he noted that Iran did not suffer from embargo imposed by the U.S. "The U.S. companies still are buying from Iran oil totalling 4 billion dollars per year," Taheri said. Concerning the participation of Iran in the developments of oil fields of Azerbaijan Taheri said that that question would be discussed in complex. According to him, a delegation of Iranian Oil Ministry which will deal with matter is to arrive in Baku one in recent days. Taheri said that Iran is going to discuss pack of questions regarding 5 percent share in the Consortium, exchange of early oil through the Persian Gulf and the route of the oil pipeline.

Speaking about the status of the Caspian Sea he said that Iran considers the Caspian Sea as a sea of friendship, peace and stability. "Status of the Caspian Sea have to be determined by five Caspian states by means of negotiations," he noted.

The Ambassador said that there were not imprisoned for political motives, the imprisoned people are criminals or terrorists. According to him, rumours spread lately about the violation of rights of Azerbaijanis in Iran are provocation. "There are centres which are seriously interested in worsening relations between Iran and Azerbaijan. For their dirty purposes they attract forces which became bankrupt on the political arena. These centres understand that after closure northern borders the only way abroad for Azerbaijan will be through Iran that is why they want that border to be closed," Taheri said.

The Ambassador said that these dreams would never come true. "We have lived separately for more than 150 years and we will not allow the past to return, the borders of Iran will always be open for Azerbaijan," the Ambassador said.

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OSCE Parliamentary Assembly Urges Truce in Karabakh

LD0807143795 Moscow ITAR-TASS in English 1409 GMT 8 Jul 95

[By Nikolay Setunskiy]

[FBIS Transcribed Text] Ottawa, July 8 (Itar-Tass) — Confidence that the ceasefire accord in Nagorno-Karabakh and adjacent areas can be turned into a truce agreement was expressed in a political resolution adopted by the committee on political affairs and security of the OSCE Parliamentary Assembly which is meeting in Ottawa.

An agreement on truce would create a possibility for the return of more than one million refugees and the lifting of all blockades, the document said.

The Committee recommended the OSCE acting chairman to act resolutely in order to establish as soon as possible OSCE multinational peacekeeping forces and deploy them in the Karabakh conflict zone.

The chairman was instructed to seek support from Russia and Finland, the two co-chairmen of the Minsk conference for Nagorno- Karabakh, and the Minsk group as a whole.

The resolution called on the governments of the OSCE member- countries to fulfil without delay the OSCE resolution under which a 2000-strong peacekeeping force is to be sent to Nagorno-Karabakh before the end of 1995.

In response to a request from the Azeri delegation, the Committee voted by a majority in favour of amending the OSCE resolution which demanded, with reference to resolutions adopted by the UN Security Council in 1993, the immediate, full and unconditional withdrawal of Armenian occupational forces from all the earlier occupied regions of Azerbaijan.

Official Comments on Caspian Sea Meeting

NC0807164995 Baku TURAN in English 1511 GMT 7 Jul 95

[FBIS Transcribed Text] Baku/JULY 4/TURAN — "All five Caspian states came to common opinion on adoption legal status of the Caspian sea," TURAN was told by Head of the Legal Department in the Foreign Ministry of the republic Khalaf Khalafov. They came to such conclusion at the session of the heads of the legal departments of the Foreign Ministries of the Caspian states which was held in Tehran on June 28-29. According to Khalafov the issues on the determination the legal status of the Caspian Sea were discussed at the session. However, there were not signed any documents.

Khalaf Khalafov noted that the position of Azerbaijan concerning the status of the Caspian Sea did not change. Azerbaijan considers that it has right to develop mineral resources in the Caspian Sea.

According to diplomatic sources, positions of the main opponents of Azerbaijan concerning the status of the Caspian Sea, Iran and Russia, did not change. Both Moscow and Tehran still oppose the split of the Caspian Sea into national sectors.

Another session on the determination of the legal status of the Caspian Sea is to be held in September, 1995 in Almaty.

SOCAR To Begin Drilling in Iranian Area of Caspian

NC0707160195 Baku TURAN in English 1625 GMT 6 Jul 95

[FBIS Transcribed Text] Baku (July 6) TURAN — Azeri oil-industry workers are ready to start to boring of estimate well 4,500 metres deep on the perspective oil-gas area Mehbab-1 in the south-western part of the Caspian in the Irani section, the Director of the Management for prospective boring on floating settings, (SOCAR's [State Oil Company of the Azerbaijani Republic] structure), Saiq Bekirov, told TURAN.

Preparatory technical works on the floating boring setting "Hazar" are completed and necessary documents are prepared. It has been also confirmed during recent visit of three experts of Iran's National Oil Company to Baku. On May 31, 1995 the National Oil Company of Iran through the assistance of Iran's Central Bank opened a letter of credit with Azerbaijan's International Bank. Under the contract, the works are to start within 2 months since opening of the letter of credit.

Bekirov said that the Irani party also completed preparatory works on this project: prepared the moorage and technical provision for the Azeri vessels. During the well boring the passenger and fire vessels of SOCAR will be used.

Moreover, appropriate resolution of the Cabinet for the vessels transportation is necessary for Azeri oil-industry workers to start the contract works in the Irani section of the Caspian. As Bekirov says, the Irani party must give confirmation about readiness to receive Azeri specialists. He also added that the works will possibly start by middle July.

The contract worth $14.5 million provides for boring of the well within 14 months. However, the works will be, possibly, completed ahead of time. The thickness of the water in the region of the projected well totals 15-20 metres.

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Quick Iranian Decision on Oil Urged

NC0707151795 Baku TURAN in English 1625 GMT 6 Jul 95

["Azerbaijan Awaits Response from Iran Concerning Its Participation in Development of Oil-Gas Field "Shahdeniz" — TURAN headline]

[FBIS Transcribed Text] Baku (July 6) TURAN — The issue concerning the staff of the consortium of the oil companies on development of the perspective oil-field "Shahdeniz" in the Azeri section of the Caspian is being settled presently and it would have been advisable that the Irani party hurried up to make its choice regarding its participation in the consortium, President of SOCAR [State Oil Company of the Azerbaijan Republic], Natiq Aliyev, told TURAN.

According to the results of the talks started in September 1992 and continuing at present, the consortium includes alliance BP/Statoil as well as Turk Petrolleri A.O.

The structure includes 400 billion cubic metres of gas and more than 200 million tons of condensed gas and oil, according to preliminary data of SOCAR. One well 3,152 metres deep has been bored on that field.

Next week the delegation of Irani National Oil Company is expected to arrive to Baku to negotiate about participation in the created consortium.

Georgia

Shevardnadze Concerned Over Russian Aid To Abkhazia

LD0907164295 Moscow INTERFAX in English 1534 GMT 9 Jul 95

[FBIS Transcribed Text] TBILISI, July 9 (Interfax) — Georgian leader Eduard Shevardnadze has said that the decision of the Russian leadership to offer the 10-billion-ruble aid to Abkhazia, which suffered from flood, causes "his fears".

He spoke in Tbilisi on Sunday at the 2nd congress of the Union of Georgian Citizens. An Interfax correspondent reports that speakers at the forum repeatedly said that the money earmarked to eliminate the consequences of flood in Abkhazia, "is likely to be used to strengthen the military potential of the separatist topmen in Sukhumi."

Shevardnadze said that during the upcoming meeting in Tbilisi with chairman of the Russian Federation Council Vladimir Shumeyko, he will demand explanations on the issue. Shevardnadze believes that Russia's actions bypassing Tbilisi, "fully contradict" the understandings reached in Almaty and Minsk and other bilateral agreements.

"We cannot solve our problems without Russia's participation and without friendship with it. But the ways to this friendship pass via Abkhazia and Tskhinvali," he said. He said that Russia should "determine completely and precisely its intentions concerning regional conflicts in Georgia, as well as the ways to settle them." Otherwise, believes the Georgian leader, this may deteriorate the bilateral relations.

Security Chief Poses 'Threat' to Shevardnadze

AU0707120095 Tbilisi MIMOMKHILVELI in Georgian 29 Jun-5 Jul 95 p 1, 2

[Report by Zurab Giorgobiani: "Eduard Shevardnadze — Against His Own System"]

[FBIS Translated Text] In March 1992, Eduard Shevardnadze's return to Georgia was so important for our country that probably in the decades to come observers or analysts will not fail to give due attention to this event not only from the global but also concrete point of view; or attention will be focused on what seem at first glance to be minor issues such as Shevardnadze's first words upon his arrival and who met him at the airport and who deliberately avoided meeting him; for example, Tengiz Sigua, who was prime minister at the time, refused to meet the future Supreme Council chairman at the airport, which was unmistakably interpreted by the whole of society as the first sign of future confrontation and opposition.

Shevardnadze was followed off the plane by the "old Mkhedrionelebi" [members of the Mkhedrioni paramilitary organization] or the experienced and hardened "guard" of Jaba Ioseliani who had recently been serving prison sentences on the orders of President Gamsakhurdia. Photographs commemorating this event are the clearest and most precise illustration of that lengthy future "friendship" [between Ioseliani and Shevardnadze] that lasted until May 1995.

Shevardnadze was also met by the future heads of Georgian "security." This fact is significant from many points of view. First, an alliance was already taking shape at that time between [Security Service Chief] Igor Giorgadze and Jaba Ioseliani; the former met Shevardnadze off the plane while the latter had sent his own emissaries to Moscow to accompany him to Tbilisi. This support was subsequently expressed in the fact that one of Jaba Ioseliani's most loyal comrades-in-arms Temur Khachishvili became deputy chairman of "security" at the end of 1992 when, on the proposal of Shevardnadze, he was appointed minister of internal affairs.

In addition, it is also significant that, in spite of his initial liking for Giorgadze, Shevardnadze, at the time,

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appointed the representative of a completely different political circle — Irakli Batiashvili — as security service chairman; he in no way met the requirements of the ruling group that had been formed in the security service over the decades. As can be seen, this was a kind of "trick" played by Shevardnadze given the prevailing political situation, although such decisions did not change at all the real disposition of forces in this system, which was shown by Batiashvili's dismissal later on. The system adopted (and not created) by Shevardnadze or the disposition of forces that he favored is practically unchanged and continues to preserve its power. Temur Khachishvili, following his dismissal from the post of interior minister, returned to his position in the security service and, in view of the fact that this service has very strong and effective power structures, he has become extremely important to both Jaba Ioseliani and Eduard Shevardnadze in the context of the opposition that has arisen between them. Let us recall the episode in Rustavi [on 3 March] when Temur Khachishvili was present during the "execution" of [Rustavi Governor] Levan Mamaladze by the "Mkhedrioni." Igor Giorgadze opposed his being dismissed from his post. Let us also recall the Kakheti incident when, following the large-scale operation launched in this region by the interior ministry, one of the subunits of the "Rescue Corps" [official name for the "Mkhedrioni"] surrendered its weapons precisely to the Security Service and, because of this, there was almost a clash between the two power structures. Let us draw attention to the very significant fact that the sole terrorist act "solved" by the Security Service during the last few years has been the explosion on Chikovani Street [Tbilisi in June 1992, directed against Jaba Ioseliani].

Thus, Shevardnadze is, to all intents and purposes, dealing with the same system that he brought to Georgia and the strengthening of which he himself encouraged. It is difficult to say how successful the head of state's efforts will be in this case as, to all intents and purposes, he is conducting a struggle against himself.

The sensational statement made at the Union of Georgia's Citizens forum [25 June] has added a new element to the conflict; Shevardnadze is already openly expressing his dissatisfaction with his former favorite. The head of state will not "forgive" Giorgadze for the murder of [his close associate] Soliko Khabeishvili [by unidentified gunmen on 20 June in Tbilisi]. He knows very well that, if this case is not solved at once, its future investigation will be impossible. Igor Giorgadze has accepted the challenge: The Security Service collegium delivered a statement, full of threats, in which it says that the service's "employees and the heads of its power structures reserve the right to choose legal 'ways' in which to respond in an adequate manner." This is indeed a clear threat! The root of the problem is that Eduard Shevardnadze is unable to dismiss Igor Giorgadze from his post; according to current legislation, the Security Service is subordinate only to Parliament and, therefore, the latter will become the epicenter of any future struggle. A disloyal person at the head of the security system will naturally not bring the head of state anything positive during the preelection period, particularly as this person, as he believes, has become a member of the political clan (Ioseliani-Panteleimon Giorgadze) opposing him. According to [Parliament Deputy Speaker] Vakhtang Rcheulishvili, one cannot have the son of an orthodox Communist [his father Panteleimon Giorgadze is chairman of the United Communist Party] as head of this service and his deputy (Temur Khachishvili] as a Mkhedrioni member. Shevardnadze has hopes that the National-Democrats will help him. Incidentally, those analysts who stated a few months ago that this party had suffered a defeat in the struggle against Giorgadze were somewhat hasty; as it has turned out, the National-Democrats have delivered a precise blow on this occasion as well. However, at the same time, it is doubtful whether Shevardnadze will gain the full support of the opposition in Parliament as the Republicans (on account of [cochairman Nodar] Natadze's position) and also [National Independence Party Chairman Irakli] Tsereteli and other deputies are fairly loyally disposed toward Igor Giorgadze while the "Giorgadze-Kachishvili" case will be one more argument for Jaba Ioseliani — also one part of the majority could distance itself from the orthodox position of Shevardnadze and Rcheulishvili.

In fact, since 1993, Georgia has never been so close to civil war as it is today. The Security Service, which is a mighty power group, at the same time, has a legal base and is not subordinate to the head of state as it is Parliament that makes politics in this sphere and it is very difficult to get unilateral decisions adopted in Parliament. To this extent, this service will hang over Eduard Shevardnadze's head like the "sword of Damocles" — at any rate, until the elections and until qualitative changes occur in the entire system of power.

Refugees From Abkhazia Protest in Zugdidi

LD0807141395 Moscow INTERFAX in English 1220 GMT 8 Jul 95

[FBIS Transcribed Text] TBILISI, July 8 (Interfax) — A protest rally was held in the center of Zugdidi, a west Georgian city, on Saturday. It had been organized by Georgian refugees from Abkhazia, forced to leave their homes during the Georgian-Abkhazi conflict. As a source within the administration of the Zugdidi region has reported to Interfax, the protesters demanded that

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the Georgian authorities would decisively meddle and secure the refugees return to Abkhazia.

A resolution was passed at the meeting to delegate to Tbilisi about 1000 refugees from across Western Georgia to join refugees from Abkhazia, protesting outside the Georgian parliament's building.

The protesters have told Interfax that if the mass-scale return of refugees does not get underway this month, they will resort to radical measures.

As the Georgian Foreign Ministry's press center has reported to Interfax, law enforcement bodies are not planning any action to stop refugees from marching to Tbilisi from Zugdidi.

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Estonia

Legislator Says 'Consent' Needed To Join EU

WS1007121395 Tallinn BNS in English
1152 GMT 10 Jul 95

[FBIS Transcribed Text] Tartu, Jul 10, BNS — Russian parliament member and Chairman of the Russian Christian Democratic Union Vitaliy Savitskiy says Russia can never join the European Union without the consent of the Baltic states.

"As Russia is still seen as an aggressive state in Europe, the Baltic states are the only ones who can guarantee that Russia isn't aggressive any more," Savitskiy told BNS.

Savitskiy noted that integration into the EU is a long process. "During that time period, big changes can take place in Russia, which can involve us all," he added.

The parliament member noted that Estonia should take Russia as a child who makes mistakes from time to time.

Savitskiy believes that, if Estonia indeed becomes a bridge between Russia and Europe, the benefits will be trilateral. "First, it is beneficial for the EU, as Estonia is well-acquainted with the situation in Russia, secondly, Estonia can show off its merits and, thirdly, Russia will benefit as it is interested in joining the EU," Savitskiy explained.

In Savitskiy's words Estonia has to fulfill the responsible and praiseworthy mission of "being a bridge." "Estonia has to solve the concurrent problems patiently and with responsibility," he noted.

Gaydar Meets Press, Notes Course of Negotiations

WS1007093295 Tallinn BNS in English
1600 GMT 8 Jul 95

[FBIS Transcribed Text] Tallinn, Jul 08, BNS — The relations between Estonia and Russia cannot be trusted to instigators on either side, such as the Russian Liberal Democratic Party and its leader Vladimir Zhirinovskiy, Russian ex-prime minister and the chairman of the Russia's Democratic Choice party, Yegor Gaydar, stated at a press conference in Tallinn.

Besides Zhirinovskiy, Gaydar also considers among instigators the chairman of the Russian parliament's commission on CIS matters, Konstantin Zatulin, who "professionally occupies himself with spoiling the relations between Russia and its closest neighbors." The ex-premier refused to comment on the subject of instigators on the Estonian side.

Gaydar came to Estonia on an invitation from the Estonian Coalition Party. The leader of the party, Estonian Prime Minister Tiit Vahi, and the Russian ex-premier signed a cooperation agreement between the two parties.

Gaydar told reporters after meeting with the leaders of the Coalition and Center Party that both sides have several ideas and approaches which may help to improve the relations between Russia and Estonia.

Gaydar noted that Russia's Democratic Choice and Estonian Coalition Party are united by a common ideology — liberalism.

The ex-premier announced that he welcomes Estonia's present government's course on integrating the non-Estonian part of the country's population. Gaydar asserted that his party will do everything in its power to make sure that the Russian parliament ratifies the free trade agreement signed during the time Gaydar was prime minister, as well as accords on bringing the Russian troops out of Estonia and the social guarantees for Russian retired military living in Estonia.

As far as Estonia's possible integration into NATO is concerned, Gaydar asserted that his party does not consider NATO a threat to Russia's security. He explained that NATO can't be aggressive simply because of its decision making process. "To imagine how the government of Luxembourg or Norway makes a decision on consensus to attack Russia, demands a sick mind," Gaydar explained.

With regard to Russia's citizens in Estonia, Gaydar said that, in his opinion, the Estonian government has adopted a reasonable approach to the problem and offers the Russian citizens in Estonia enough freedom of choice.

Vahi asserted that his government's policy on Russian citizens is based on the freedom of choice, everybody is free to choose whether to apply for Estonian or Russian citizenship or to remain without any citizenship, whether to stay in Estonia or leave for the historical motherland.

The prime minister also noted that, in the near future, the residents of Estonia have to exchange their former Soviet Union passports against alien's passports.

The delegation of Russia's Democratic Choice Saturday afternoon is scheduled to meet with the representatives of all Estonian parties represented in the parliament, including members of the Russian faction.

Sunday morning Gaydar will have a meeting with the Estonian President Lennart Meri.

Besides meeting with Estonian politicians, Gaydar Saturday attended a business seminar organized by the

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Coalition Party and the Estonian Industry and Employers Central Union, where he reported on the current situation of the Russian economy.

Views Situation

WS1007090795 Tallinn ETA in English
1833 GMT 9 Jul 95

["News Release"]

[FBIS Transcribed Text] Yegor Gaydar, leader of the Russian opposition party Russia's Democratic Choice, on a visit in Estonia on invitation of the Coalition Party, has said the results of forthcoming parliamentary elections in Russia were hard to forecast in the rapidly changing political situation of the country.

Gaydar considers the growing influence of Communists a grave danger. He said Communists were basing their popularity on the discontent of people with the present situation. They are backed by those who idealise the bygone times and have quickly forgotten long queues for getting food and humiliations before Communist rulers, and just remember red scarves and joys of their youth, he said. Communists are largely playing on the emotions of this older generation.

Gaydar accuses Russian power ministers and President Yeltsin in the Chechnya crisis. He said they should have started negotiations at the very beginning. "No one can understand why it was necessary to kill thousands," Gaydar said. "Doubtlessly Russian power ministers bear the responsibility. And no one can take away the responsibility from President Yeltsin, who made a great mistake."

He asked to beware of political forces who carry slogans "Order at any cost!", as Russia has the economic base for normalising the situation, and the forces with such slogans are not able to evaluate the results of their actions. Russia could achieve stability only through democratic means, Gaydar was convinced. Other methods would lead only to a greater disarray.

Russian Visitor Blames Estonia for Election Defeats

WS1007115795 Tallinn BNS in English
1152 GMT 10 Jul 95

[FBIS Transcribed Text] Tartu, Jul 10, BNS — Russian parliament member and chairman of the Russian Christian Democratic Union Vitaliy Savitskiy accused Estonia of the fact that Russian and Belarusian democratic parties lost parliament elections.

"The democratic movements in Estonia and Russia have been in close ties through popular fronts and other political movements. When Estonia restored its independence, Russian democrats expected these ties to continue. Unfortunately, we were mistaken, the ties were broken and the new government started critisizing the Russian government, despite the fact that democratic forces were ruling," Savitskiy stated at an international political conference, "Estonia — a bridge between Russia and Europe?", which took place in the Estonian city of Tartu.

"This upset the position of Russian democratic forces, ending in their defeat at parliament elections in 1993. The same happened in Belarus," Savitskiy noted.

He believes the problem of non-citizens living in Estonia has to be quickly solved in negotiations, because "otherwise these people will be lost for Russia as they will vote for communists or Zhirinovskiy at presidential elections."

"The victory of communists or the ultra-national Vladimir Zhirinovskiy would weaken the position of democratic forces in the whole central and eastern Europe," Savitskiy asserted.

After the Soviet Union fell apart, around 25 million mainly Russian-speaking people live on the territory of the former Soviet Republics.

Savitskiy says this situation resembles the situation after World War I, when 12 million Germans were living outside Germany.

"Thanks to this and the political and economic instability the Nazis seized power," Savitskiy remarked, adding that Russia also has the necessary conditions for fascists to seize power.

In his words, Russia can manage the political and economic instability by itself, but the problem of non-citizens has to be solved through negotiations with the respective states.

"There are three options to solve the problem of non-citizens: to give them the citizenship of the respective state, allow them to leave for Russia without restrictions or let them stay as non- citizens," Savitskiy noted.

Prime Minister on 'Stable Economic Policy'

WS1007091295 Tallinn BNS in English
1600 GMT 8 Jul 95

[FBIS Transcribed Text] Tallinn, Jul 8, BNS — The first stage of reforms tied to the shock therapy in the Estonian economy is ending and a period of a more stable economic policy should follow, Estonian Prime Minister Tiit Vahi said.

Vahi noted that structural reorganizations in the economy are time-consuming and are primarily related to Estonia's integration into the European Union.

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The prime minister believes Estonia's inflation and the growth of government spending have been too high in the last couple of years. The slow course of the land reform has become a serious obstacle to the country's economic development.

The government's economic policy next year will concentrate on speeding up the land reform, reducing government spending and curbing inflation to 15 percent.

During the preparations for the 1992 monetary reform inflation rate was expected to be only half of the actual. A big problem for the Estonian economy is the drop in the gross domestic product in the last few years, Vahi noted. He said this decrease slowed down last year and the economy is becoming more stable.

Vahi believes the overdevalvation of the Estonian national currency, the kroon, has been exhausted. Since the monetary reform, Estonia's money supply has grown four times as big as the country's GDP.

Heido Vitsur, the premier's adviser, told BNS that a special characteristic of the Estonian monetary policy allows to emit kroons equal to the quantity of foreign currency flowing into Estonia. Germany has different rules, which allow to emit their domestic currency only in proportion to the growth of the country's GDP independently of foreign currency reserves, Vitsur added.

The adviser says the economic situation has become complicated for Estonian entrepreneurs as export prices have reached their ceiling while domestic prices are increasing and approaching the prices in foreign markets. In a situation like this, no free resources for necessary investments are available to Estonian producers, Vitsur noted.

Estonia's new economic policy should pay more attention to creating more favorable conditions for domestic producers, including relieving the payment terms for privatized companies and giving special credits to viable business projects, Vitsur added.

Vahi stressed that a free market economy should prevail in Estonia and a licensing policy depending on the judgment of officials should be reduced. Estonia has to consider the rules of GATT and the European Union, as it seeks admission into both, the premier said.

Latvia

Military Cooperation Plan With France Signed

WS0707133395 Tallinn BNS in English 1000 GMT 7 Jul 95

[FBIS Transcribed Text] Riga, Jul 7 (BNS) — Representatives of the Latvian and French defense ministries signed this week in Paris both the states' cooperation plan for 1995/1996, Defense Ministry's State Secretary Janis Davidovics told BNS.

The cooperation plan provides for organizing the French language courses to Latvian militaries so that they could prepare for studies in French military academies. A wide training program is planned for Naval Forces' representatives as well as experience gaining visits to French navy ships.

Davidovics said that the National Defense Academy will get a French class with all the necessary equipment till the end of this year.

According to the plan, visits of strategic planning specialists and Defense Ministry officials will be regularly organized.

The French side has proposed to hold joint Latvian, Estonian, Lithuanian and French naval forces' trainings "Passex" in the Baltic Sea next year. They could take place in the framework of the French navy ships' visit to the Baltic states.

In turn, the Latvian Defense Ministry's officials have proposed to organize joint Baltic states and French armed forces units' trainings in the training center at Adazi.

The French military specialists have highly evaluated Defense Ministry's drafted defense and national security concepts as well as Latvia's participation in NATO Partnership for Peace Program emphasizing that it is the best way of integration into the North Atlantic alliance.

President Briefs Press on Visit to Lithuania

LD0707152795 Riga Radio Riga Network in Latvian 1300 GMT 7 Jul 95

[FBIS Translated Text] State President Guntis Ulmanis briefed correspondents today on the results of his visit to Lithuania. As is known, his meetings with Lithuanian President Algirdas Brazauskas and with Seimas Speaker Ceslovas Jursenas focussed on issues concerning the Baltic states' involvement in European structures. It was stressed at the talks that on the road to joining the European Union the Baltic states must first integrate among each other. The drafting and implementation of joint investments [as heard], the promotion of joint economic projects, and the drafting of a joint security system are needed.

Lithuanian Seimas Speaker Ceslovas Jursenas will arrive in Riga next Monday for a one-day working visit. He will meet with Anatolijs Gorbunovs, speaker of the Latvian parliament, to discuss what was achieved by the Latvian and Lithuanian parliaments during their spring

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sessions and how work aimed at drafting legislation is [words indistinct] to the European Union's criteria in preparation for integration into the European Union.

Officials To Discuss Possible Kozyrev Visit

LD0707171195 Moscow INTERFAX in English 1624 GMT 7 Jul 95

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] RIGA, July 7 (INTERFAX) — Deputy Russian Foreign Minister Sergey Krylov, who is to arrive in Riga Saturday, will discuss the terms of a possible visit to Latvia by Russian Foreign Minister Andrey Kozyrev, the Latvian Foreign Ministry's press office told INTERFAX Friday.

It is planned that Krylov will hold talks with Latvian Foreign Ministry's State Secretary Maris Riekstins on July 10, a press office official said. They are expected to discuss mutual relations, prevention of illegal migration, refugee-related problems and a series of economic issues.

The fact that such talks are being held "means that the relations between the two countries are starting on a normal course thanks to the withdrawal of Russian troops from Latvian territory," the official said.

Krylov will meet with members of political and cultural organizations representing the interests of Latvia's Russian-speaking population Saturday and Sunday.

In the evening of July 10 Krylov will leave for Estonia.

Official Says Payment of Wages To Be Delayed

LD0707123595 Riga Radio Riga Network in Latvian 1200 GMT 7 Jul 95

[FBIS Translated Text] Aivars Veiss, director of the state treasury department, told a news conference today that there is no money in the state treasury, and it is not known when there will be any. Pensions are currently being paid out everywhere and in full, but wages for the employees of state-financed institutions will again be delayed indefinitely.

Local authority leaders today demanded that from Monday the government ban any payments from the state treasury except for those related to settling debts to local authorities.

Lithuania

Polish General Staff Chief Ends Visit 5 Jul

WS0707143495 Tallinn BNS in English 1300 GMT 7 Jul 95

[FBIS Transcribed Text] Vilnius, Jul 7 (BNS) — Poland's military cooperation with Lithuania is developing more successfully than with any other neighbor, Gen. Tadeusz Wilecki, chief of the Polish General Staff, said Wednesday [5 July] at the end of his two-day visit to Lithuania.

"The sincerity and openness of all meetings and conversations with Lithuanian representatives confirms the willingness to create new relations between Lithuania and Poland," Wilecki said at a joint press conference with Gen. Jonas Andriskevicius, Lithuanian armed forces commander in chief.

Wilecki announced that Poland's 15th motorized division and Lithuania's motorized infantry brigade Gelezinis Vilkas (Iron Wolf) plan to sign a cooperation agreement on July 15. He also proposed to hold annual meetings of the highest military leadership of both countries.

During the press conference, the two generals spoke about plans to set up a joint Lithuanian-Polish peacekeeping battalion, but noted that the step is not possible until a political decision is made. "Poland has a 40-year experience of participating in peacekeeping missions and will gladly share this experience with Lithuania," Wilecki said.

The Polish general also said he saw no serious barriers to the creation of a joint airspace control system. He noted that the issue had been discussed by politicians, and military experts now only have to deal with technical matters.

On Thursday, Wilecki left Vilnius for Tallinn.

Seimas Deputies Protest Russian Moves in Chechnya

LD0707121395 Vilnius Radio Vilnius in International Service in Lithuanian 2100 GMT 6 Jul 95

[FBIS Translated Text] Thirty Lithuanian Seimas members lodged a protest against Russia's resumption of military actions and acts of coercion in Chechnya and a further extermination of the Chechen nation.

The statement by the Seimas members described the acts against the Chechen people in the Rostov and Stavropol districts and the arrests of people in Groznyy and other places in Chechnya as a continuation of the policy of terror and coercion. The Seimas members stressed that Russia bans the entry into Chechnya by observers from

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the international parliamentary group for the solution of Chechnya's problems and the UN Unrepresented Nations Organization.

This raises doubts about the transparency of Russia's actions in Chechnya and its goodwill and desire to solve the problems peacefully through political negotiations, Lithuanian MPs stressed.

Baltic, Belarusian Transportation Ministers Meet

LD0807161195 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 7 Jul 95

[FBIS Translated Text] The transportation ministers of Belarus and the Baltic countries met in Palanga today. This is a two-day meeting, the aim of which is to improve the coordination of transportation policy of the Baltic countries and cooperation in integrating into the European Union.

A tripartite intergovernmental agreement on air transportation communications and a resolution on establishing and implementing a regional transportation policy are to be signed in Palanga. Designing a European standard railway line in Lithuania will start this year. Next year, the construction of the line will begin from Sestokai to Kaunas. The construction costs are estimated at up to 100 million dollars. It should be completed by the year 2000. The total length of the line from Sestokai to the Karmelava airport in Kaunas will be about 100 km.

The European standard-gauge railway line will be extended to Karmelava, where most likely a free economic zone will be set up and a railway cargo terminal constructed. A consortium of German companies comprising one of the world's largest manufacturers of steel, Krupp, the coal-mining company Ruhrkohl, and a company utilizing cargo terminals, [word indistinct], have offered to finance the construction of the railway line.

Apart from this, the consortium also proposed to build a large railway cargo terminal in Kaunas, the construction of which is estimated at about 200 million dollars.

At the end of March, a protocol of intention was signed with the German partners, and at the beginning of July Prime Minister Adolfas Slezevicius received a schedule from the German partners for financing and carrying out specific work. The schedule will be discussed at the negotiations between the Lithuanian Government and the representatives of the German consortium, which will be held in Vilnius on 17-21 July, Baltic News Service reported.

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